7 September 2021

TP ICAP Group plc

Financial and interim management report - for the six months ended 30 June 2021 (the 'Period')

TP ICAP Group plc (the 'Company') announces its group (the 'Group') results for the Period today.

Nicolas Breteau, CEO of TP ICAP Group plc, said:

"In the first half we made good progress executing our strategy to better position the Group to drive sustainable earnings growth. In Global Broking and Energy & Commodities, we achieved notable deliveries in our hub strategy. We are working at pace to integrate Liquidnet into our Agency Execution division and have identified approximately £20m of cost synergies. We have also developed and are implementing growth plans for both Equities and Credit. Parameta Solutions continues its growth trajectory, delivering a double-digit increase in revenues in its Data & Analytics business.

"Reflecting subdued secondary markets, and against a very strong comparative period, overall Group revenue of £936m was down on a constant currency basis 1%, and 7% excluding Liquidnet. Revenues excluding Liquidnet were broadly in line with the equivalent period of 2019, which saw more normal trading conditions compared to the exceptionally high volumes in Q1 2020. Throughout the period, we exercised cost discipline and are on track to achieve £35m of annualised cost savings by the year end.

"Looking ahead, we will continue the systematic execution of our strategy so that we remain well placed to meet the needs of our clients and create value for our shareholders."

Financial highlights

Reported:

	H1 2021	H1 2020
Revenue	**£936m**	£990m
EBIT[1]	**£57m**	£101m
EBIT margin	**6.1%**	10.2%
Profit before tax	**£28m**	£78m
(Loss)/profit after tax	**£(2m)**	£45m
Profit for the period[2]	**£1m**	£54m
Basic EPS	**0.1p**	8.6p
Weighted average shares in issue	**737.7**	625.3

Adjusted (excluding significant items):

	H1 2021	H1 2020	H1 2020 *Constant Currency*
Revenue	**£936m**	£990m	£947m
EBITDA	**£155m**	£186m	£174m
EBIT[1]	**£117m**	£159m	£147m
EBIT margin	**12.5%**	16.1%	15.5%
Profit before tax	**£88m**	£136m	£124m
Profit for the period[2]	**£75m**	£111m	£100m
Basic EPS	**10.2p**	17.8p	
Weighted average shares in issue	**737.7**	625.3	

1. EBIT = Earnings before interest and taxation
2. Attributable to equity holders of the parent

A table reconciling Reported to Adjusted figures, detailing significant items, is included in the Financial Review. Definitions of the Alternative Performance Measures used by the Group, including Constant Currency, are set out in the Glossary. The weighted average number of shares used for the basic H1 2021 EPS calculation for the Period is 737.7m (H1 2020: 625.3m, after restatement for the bonus element of the 2021 rights issue).

Financial highlights

- The Group's performance reflects the challenging trading conditions caused by the combination of quiet secondary markets and ongoing disruption caused by COVID-19.
- Revenue of £936m was 1% lower on a constant currency basis (down 5% on a reported basis).
- Excluding Liquidnet's post-acquisition revenue of £55m (from the 23 March to 30 June period), the Group's revenue in the Period was 7% lower on a constant currency basis (11% lower on a reported basis).
- Reported and Adjusted EBIT margin was 4.1%pts and 3.6%pts lower primarily due to lower revenues, exacerbated by the negative impact of FX.
- Global Broking revenue declined 7% on a constant currency basis (11% on a reported basis), against a backdrop of market-wide lower volumes experienced across most asset classes. Equities revenues grew significantly, benefiting from a higher volumes in equity derivatives and the inclusion of the Louis Capital Markets ('LCM') acquisition that was completed on 31 July 2020.
- Energy & Commodities revenue decreased 9% on a constant currency basis (14% down on a reported basis) as client activity decreased significantly compared with the exceptionally strong prior period. We saw a notable improvement in activity in the second quarter.
- Agency Execution revenue increased 84% on a constant currency basis (81% on a reported basis), due to the acquisition of Liquidnet. Excluding Liquidnet, revenue declined 14% on a constant currency basis (16% on a reported basis) against a record comparative period in H1 2020 as improved FX, listed futures and options activity was offset by weaker rates Relative Value revenue.
- Parameta Solutions revenue grew 6% in the Period on a constant currency basis (1% down on a reported basis). The Data & Analytics business continued its double digit growth trajectory with an 11% revenue increase in constant currency (3% on a reported basis) as it continued to benefit from its strategy to launch new higher margin products, expand its distribution channels and diversify its client base. Post-Trade Solutions revenues declined 17% on a constant currency basis (23% on a reported basis) due to lower market wide volumes.

Strategic highlights

- *Redomicile:* On 26 February the Group's domicile moved from the UK to Jersey. This is delivering tangible capital benefits which we anticipate will support our business investment opportunities globally.
- *Liquidnet:* On 23 March 2021, the Group completed the acquisition of Liquidnet, a premier technology driven electronic buyside trading network that will transform our future growth prospects.
- *Investment:* The Group continued to invest in and execute our electronification and aggregation strategy, while diversifying and growing our non-Global Broking businesses. Key examples include:
    - Global Broking: new platforms launched in Rates, FX and Credit as part of Hub strategy
    - E&C: client roll out of Energy Hub underway
    - Agency Execution: acquisition of Liquidnet brings buyside connectivity, diversifies revenues and provides significant growth opportunities
    - Parameta Solutions: continued to launch new higher margin products; new distribution channels and diversify its client base in line with strategic aims
- *ESG:* We have strengthened our governance and reporting; as well as launching new ESG related offerings in E&C and Parameta Solutions.

Dividend

A 4.0p per share interim dividend (H1 2020 interim dividend reported: 5.6p, 2020 pro-forma for February 2021 rights issue using the current 780.6m shares in issue: 4.0p) will be paid on 5 November 2021 to shareholders on the register at close of business on 1 October 2021.

2021 full year guidance and outlook

- The Group notes that trading activity in July and August 2021 is broadly in-line with the prior year.
- Despite the subdued trading conditions we have experienced in the Period, together with continuing uncertainty caused by quiet markets and the disruption from COVID-19, we anticipate full-year revenue for the Group, excluding Liquidnet, to be broadly in line with 2020 on a constant currency basis.
- The Group is expected to complete its targeted £35m annualised cost savings plan (announced in Q4 2020) by year end. Around two-thirds of the savings are expected to be achieved in the front office.
- The Group reiterates its continuing commitment to its strategic investment spending as previously disclosed in our Capital Markets Day and Preliminary Results.
- The Group notes that the appreciation of GBP against USD creates a headwind against our reported revenue and operating margin. GBP has strengthened against USD by 8.5% (the average GBP:USD rate in H1 was 1.39 compared with the same period in 2020 average of 1.28). Around 60% of Group revenues and 40% of costs are USD. The Group is not engaged in any active currency hedging for reporting purposes.
- The FX impact and strategic investment spending mentioned above and in our Preliminary Results are expected to result in a lower full-year operating margin than the prior year.

Investor update

- The Group plans to host an Investor Seminar for Parameta Solutions on 12 October 2021. Details to follow.

Interim presentation

- The Group will be holding a presentation along with Q&A via Webcast at 0900 BST on 7 September 2021.
- Please use the following details to attend the presentation:

Webcast Link:
https://streamstudio.world-television.com/854-1116-30033/en

Joining by telephone
United Kingdom (Local) 020 3936 2999
United Kingdom (Toll Free) 0800 640 6441
United States (Local) 1 646 664 1960
All other locations +44 20 3936 2999

Participant access code: 768213
Participants will be greeted by an operator who will register their details.

Forward looking statements

This document contains forward looking statements with respect to the financial condition, results and business of the Company. By their nature, forward looking statements involve risk and uncertainty and there may be subsequent variations to estimates. The Company's actual future results may differ materially from the results expressed or implied in these forward looking statements.

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About TP ICAP

- TP ICAP is a leading global markets infrastructure and data solutions provider.
- The Group connects buyers and sellers in global financial, energy and commodities markets.
- We are the world's largest wholesale market intermediary, operating from 27 countries and with a portfolio of businesses that provide broking services, trade execution, data & analytics and market intelligence.
- www.tpicap.com

CEO review

Overview

Secondary markets in the first half of 2021 continued to be uncommonly quiet. Government and central bank stimulus packages in response to COVID have flattened yields slowing activity in the secondary markets. Additionally, the pandemic has forced many of our clients to work remotely with reduced risk limits. With TP ICAP's revenues driven by transaction volumes, these factors have therefore had an adverse impact on our financial results for the six months.

During the Period, we have retained our leading market share. Separately, we have seen electronic platforms gain more traction as traders continue to work from home. This further underlines the importance of our strategy to aggregate our liquidity, electronify our business and diversify our revenue streams.

Looking ahead, there is potential for increased activity as client portfolios are rebalanced in response to inflation. In addition, as clients return to the office, market activity may pick up further. We will maintain a rigorous focus on the factors within our control: executing our strategy, integrating Liquidnet into our Group, staying close to our clients, and managing our costs.

Financial performance

The Group's performance reflects the challenging trading conditions described above. We delivered revenues of £936 million, down 1% on a constant currency basis (5% lower on a reported basis) against the comparative period, which included an outlying record first quarter. Against the more normalised conditions of the first half of 2019, the Group's revenue excluding Liquidnet were up 6% on a constant currency basis and 2% on a reported basis. Excluding Liquidnet's revenue of £55m, revenue in the Period was 7% lower than the prior year on a constant currency basis (11% lower on a reported basis).

Adjusted operating costs increased 2% on a constant currency basis (or 2% lower on a reported basis). This increase largely reflected the Liquidnet acquisition. Total operating costs decreased 1% on a reported basis.

Excluding the Liquidnet acquisition, the Group's management and support costs increased by 1% on a constant currency basis (but were 2% lower on a reported basis).

Adjusted EBIT for the half was £117m, 26% lower than the prior year on a reported basis primarily due to reduced revenues in Global Broking and Energy & Commodities. Adjusted EBIT margin was at 12.5%, down from 16.1% in H2 2020, and we reported an adjusted profit before tax of £88m.

Reported EBIT was £57m, 44% lower than the prior year, with a reported EBIT margin of 6.1% (H1 2020: 10.2%).

Basic adjusted earnings per share ('EPS') were 10.2p (H1 2020: 17.8p) and we will pay an interim dividend of 4.0p (H1 2020 reported: 5.6p, H1 2020 pro-forma for the bonus element of the February 2021 rights issue: 4.0p) per share for the half year.

Operating Segment performance

Revenue for the EMEA region was £456m, a 5% reduction in constant currency (7% in reported currency) against the comparative period. This performance reflected slower markets in Global Broking and Energy & Commodities against a very strong revenue performance in H1 2020. This was partially offset by continued strong performance in Parameta Solutions and good growth in Agency Execution.

The Americas reported revenue of £307m for the half, down 12% in constant currency (19% in reported currency). Subdued markets saw reduced revenues in Global Broking, E&C and Agency Execution, with Parameta Solutions growing 6% in the Period.

In Asia Pacific, revenue was marginally down against the comparative period at £118m in reported currency (£121m in constant currency) which was a good performance given how hard the area has been affected by the pandemic. While Global Broking experienced reduced revenues, Energy & Commodities saw very strong growth in the Period as it opened new desks in both Tullett Prebon and ICAP.

Liquidnet revenues were £55m, from 23 March 2021 to 30 June 2021.

We split the business into distinct operationally managed segments which are the basis on which the allocation of resources is considered. This is different from the legacy TP ICAP regional grouping. Liquidnet forms its own Cash Generating Unit ('CGU') for impairment testing purposes and as such it has been recognised as an individual segment.

Business divisions

In March of last year we announced the three key strategic pillars that would drive our medium-term growth: electronification and technology; aggregation of liquidity across our brands; and diversification of our revenues.

These three pillars remain critical for our future growth, and we have taken the decision to accelerate investment in the second half of the year in key projects to quicken the execution of our strategy.

Brexit

With regard to Brexit, despite the ongoing complications caused by COVID, we are executing our plans, which include leveraging our EU network, as well as hiring locally in Continental Europe. We expect to have the required number of brokers based in the EU before the end of the year. As a result, we continue to cover our EU clients effectively.

Global Broking

Global Broking is our largest division covering Rates, Credit, Equities, Foreign Exchange & Money Markets and Emerging Markets, where we have market leading positions. We bring together buyers and sellers providing a range of professional intermediary services that enable them to execute trades successfully. We operate through Tullett Prebon and ICAP brands separately. We also offer clients a range of ways to interact with us - through voice, hybrid or electronically - depending on the nature of the market, product and transaction. One of our fundamental strengths is the long-established relationships we have with top-tier banks, and our ability to provide price discovery through deep liquidity pools.

Market volumes were subdued throughout the first half of 2021 with revenues of £575m, down 7% in constant currency (down 11% in reported) against the very strong comparative period in 2020. The impact of COVID-19, and primarily the work from home regimes amongst most of our clients, continues to have a negative effect on volumes as traders have had their limits reduced.

Our largest asset class, Rates, had a challenging six months, with revenues down 16% on a constant currency basis, (18% on a reported basis) albeit against a very strong comparative period in 2020. The low interest rate environment, and continuing quantitative easing, has continued to impact the Rates business. In addition, Brexit caused disruption to the operations of some wholesale swap market participants during the Period. We believe that the growing evidence of the re-emergence of inflation could drive increased activity in the second half.

Credit revenues were down 10% at constant currency (14% as reported) to £44m for the first half of the year. While Q1 trading volumes were broadly in line with a strong Q1 2020, market activity in the second quarter of 2021 was much weaker than the prior period. The lack of volumes and volatility impacted our FX & Money Markets with revenues down 9% to £86m in constant currency (12% on a reported basis) as in the absence of material yield curve steepening, wholesale and institutional risk appetite has remained low.

Equities experienced a strong six months with revenues up 18% in constant currency (11% on a reported basis) to £117m due to a combination of LCM's contribution, including a particularly good performance by MidCap Partners, and growth in Equity Derivatives. In Equity Derivatives, volatility-driven trading activity benefited from favourable market conditions in the first quarter and a recovery of equity financing activity in the second quarter, providing a partial offset to the effect of volatility subsiding to pre-pandemic levels.

Our key strategic priorities remain aggregating liquidity from our competing brands; improving connectivity with our clients and delivering improved workflows for all products. Our Global Broking strategy is based around electronic hubs that create a seamless experience for our clients. These hubs offer liquidity for clients across our brands, from a single point of entry through screens with a common look and feel together with robust post-trade processing. Clients will be able to transact in the way they want. While voice will remain a choice, it will do so alongside other execution protocols, such as volume matching, request for quote, and targeted streaming.

We have made good progress in the first six months of the year and this year will be accelerating our investment in the second half to deliver the hubs. We have made excellent progress on improving the core infrastructure and matching engines upon which the hubs will sit. It is now scalable, stable and functionally rich. This is the critical ground work from which our client facing hubs will operate.

Progress in the first six months include:

- In Rates: we have continued to build out coverage and functionality of the Fusion Interest Rates Option platform, which is now live in EMEA, the US and Japan. We are progressively bringing the Tullett Prebon and ICAP brands on to the Sterling platform complementing our options offering.
- In Foreign Exchange, we launched a new automated Spot FX matching platform in June. The platform, which is an automated matching solution for the daily spot FX benchmark fixing, already has a significant number of large banks onboarded and using the platform.
- In Credit, we launched an EMEA Index Options platform for iTraxx indices and new execution protocols globally.
- In Equities, we have completed the integration of Louis Capital and introduced request for quote ('RFQ') protocols.

We continue to seek to target white spaces to fill and in the first half of the year Group launched its Fusion Islamic Finance platform to facilitate Commodity transactions and to provide liquidity to the Islamic financial marketplace.

Energy & Commodities

Energy & Commodities is our second largest division and operates through the Tullett Prebon, ICAP and PVM brands in all the key commodities markets including oil, gas, power, renewables, ferrous metals, base metals, precious metals and soft commodities. Clients include regional banks, corporates, suppliers, hedge funds and trading companies.

The first half of 2020 was an exceptionally strong Period for our Energy & Commodities business. Similarly to the Global Broking business, Energy & Commodities saw strong activity in the first quarter of 2020, but experienced a weaker second quarter. Markets in the first quarter of 2021 were significantly quieter, although we did see some pick-up in activity in the second quarter. Much like Global Broking, the majority of our clients continued to work from home, which negatively impacts the amount of activity in the market. Consequently, revenue of £187m was down 9% at constant currency (14% as reported) against the comparative period.

Our largest business, Oil, saw reasonable volatility in the Period, but this did not translate into volumes being traded and therefore revenues declined 9% in constant exchange rates. The majority of the other products brokered experienced some revenue decline, although we experienced good performance in environmental and some soft commodities products.

The transition to a less carbon intensive world continues and we remain well positioned to capture the benefits of this transformation. Our revenues from positive, transitional or neutral products stayed steady in the half at approximately 40% of E&C's total.

Our strategic goal for Energy & Commodities is to consolidate our global market leading position. To this end, we have continued to invest in electronifying our business and offering our clients aggregated liquidity across our three market-leading brands. The key to this is our Energy hub, which we believe will further entrench our position as the world's leading oil broker. The hub will pool liquidity cross brands, desks and regions, provide an Order Management System, simplify broker trade capture, provide STP and feed data directly through to Parameta Solutions.

We are rolling out the electronic matching engine to our desks and have a client pilot underway in Norway in the Guarantees of Origin segment (Guarantees of Origin are trading certificates generated by EU or EEA companies that produce electricity from renewable sources). We will continue to roll out the hub in the second half.

In the Period we announced that we would launch the first wholesale trading venue for cryptoassets in the second half of the year. The platform will feature an electronic marketplace for spot cryptoasset trading, including Bitcoin and Ethereum, as well as providing connectivity and post-trade infrastructure into a network of digital assets custodians. Fidelity Digital Assets^{SM} and Zodia Custody (a venture incubated by SC Ventures, the innovation arm of Standard Chartered) will be our initial custodians and Flow Traders our initial liquidity partner.

We are cautiously optimistic regarding the prospects for the sector as globally, public infrastructure has seen under-investment during the COVID-19 pandemic and we anticipate that this will pick up as the world reopens, potentially resulting in the start of a new commodities super cycle.

Agency Execution

Agency Execution provides trade ideas and agency execution to buy side clients including hedge funds, asset managers and non-bank liquidity providers. The role of an agency brokerage is to offer the buy side access to the best price in the market from a wide range of different banks, whilst guaranteeing client anonymity and neutrality. Agency Execution is an important part of the Group's diversification strategy, bringing in a new revenue stream from a different client base.

In the first half of the year Agency Execution saw revenues increase by 84% on a constant currency basis (81% on a reported basis) due to the acquisition of Liquidnet. Revenues excluding Liquidnet declined 14% in constant currency (16% as reported) against a record comparative as improved performances in FX, listed future and options activity was offset by a weaker performance by the rates Relative Value desk following a record H1 2020.

Liquidnet revenue for the Period in which it was consolidated (23 March to 30 June) was £55m. During Q2 US share trading volumes declined by 15% relative to the prior year. In Europe, the high conviction and high volatility first quarter produced robust block activity, where as in the second quarter, lower volatility and weak conviction conditions resulted in a lower share for blocks within overall trading activity.

We have owned Liquidnet since 23 March 2021 and since that time have undertaken a full qualitative assessment of the business and developed growth plans for both Equities and Credit.

The Equities business is a trusted partner for both clients and market participants with top tier technology. It has more than 1,000 clients globally and access across 45 markets and to third party dark and lit venues.

Clients are able to transact using several different channels and we plan to leverage Liquidnet's advantageous position in block trading to increase the use of the other channels to diversify revenues. This will have the additional benefit of increasing liquidity in the dark pool. We plan to do this in four ways. First, we will extend Liquidnet's distribution by leveraging TP ICAP's network of offices across 27 countries. Second, we will build out its suite of algorithms to help clients move more easily between execution protocols to access dark and lit markets. Third, we intend to grow Liquidnet's existing programme trading offering, and lastly, we see the potential to increase our share of the cross-border trading market.

The Credit platform has about 500 active buyside clients, including most of the top 50 bond holders globally. We intend to grow its revenue by leveraging the complementary capabilities of Liquidnet and TP ICAP, through targeted investments in technology and talent and by developing new offerings.

We launched the first of these today – Liquidnet Primary Markets. Liquidnet Primary Markets is a result of close collaboration between Liquidnet, our Members and leading banks. It helps to address the challenges caused by the current debt issuance workflow which is fragmented and manual, and can lead to errors. Our Debt Capital Markets (DCM) workflow solution allows banks to efficiently send new issue information and deal updates to investors electronically via the Liquidnet application and their order management systems. Liquidnet Members can also trade new issues electronically from both Liquidnet's Fixed Income application and their order management systems, and benefit from enhanced liquidity discovery and price formation in early trading which is currently lacking.

For secondary markets, around 80% of corporate bond dealing is Dealer to Client and dominated by three competitor platforms. Putting Liquidnet and TP ICAP together means that we have the necessary buyside connectivity and dealer relationships to compete. We are currently consulting with members and dealers to shape two new offerings that we are developing, namely a Dealer-to-Client Request for Quote workflow and price streaming services.

Parameta Solutions

Parameta Solutions, which rebranded from Data & Analytics and Post Trade Solutions in April, provides unbiased data products that facilitate trading, enhance transparency, reduce risk, provide balance sheet optimisation and improve operational efficiency. It is the leading provider of OTC pricing data and has access to more OTC data than any other IDB globally. We have pricing, reference data and analytical tools for major asset classes and markets.

It is a high margin business with revenues that are largely subscription-based and sticky, with a retention rate in excess of 98%, so it provides us with excellent earnings diversification and sustainable growth opportunities.

The core Data & Analytics business continued its double-digit growth (11% on constant currency basis, and up 3% on reported basis) as it continued to benefit from its strategy to launch new and higher value products, expand distribution channels and deepen and diversify its client relationships.

Post-Trade Solutions revenue declined 17% on a constant currency basis (-23% on a reported basis) relative to the exceptional performance in the same period and broadly flat against the same period in 2019. The reduction in revenue was primarily due to the Matchbook resetting service which was affected by lower market wide volatility and near zero rates reducing the need for clients to reduce secondary risk.

Parameta Solutions revenue grew 6% on a constant currency basis (broadly in line on a reported basis).

Our strategy for Parameta Solutions has three elements: develop new higher value products, grow the client base with a focus on the buyside and corporates, and expand its channel partners and distribution capabilities.

With regard to new products, we have expanded our evaluated pricing suite to include FX evaluated pricing and launched an environmental package, in support of our clients' decarbonisation strategy. These are high margin, high value products that have been driven by client demand to meet stricter regulatory disclosure and risk management.

We are growing the client base by aligning our sales team to specific client segments: buy-side; sell-side and corporates. This is already proving a success with 30 new buyside clients added in the Period.

For distribution, we have expanded our Global Sales team to access underpenetrated markets. We have partnered with leading cloud providers to create off-premise solutions for clients. This will allow users to access data on a share basis via the public cloud, with greater speed and agility and in a more cost efficient way.

In Post-Trade Solutions, despite a challenging first half, the compression service, ClearCompress added ten large dealers to its client list and launched two new services due to client demand. We have built a working group of 27 dealers helping us shape new products and opportunities.

Near term outlook

Trading activity in July and August 2021 is broadly in-line with the prior year. Despite the subdued trading conditions we have experienced in the Period, together with continuing uncertainty caused by quiet markets and the disruption from COVID-19, we anticipate full-year revenue for the Group, excluding Liquidnet, to be broadly in line with 2020 on a constant currency basis.

Our focus for the second half of the year will be on three areas. We will continue to invest in and execute our strategy, we will stay close to our clients, ensuring that we continue to provide them with relevant solutions, and we will continue to manage our cost base.

Concluding comments

While trading conditions have continued to be challenging during the first half of 2021, we have made progress on executing our growth strategy which will transform our company to deliver sustainable earnings term growth over the medium term.

I would like to thank all of my colleagues at TP ICAP for their continued hard work and dedication in the first half of the year.

Nicolas Breteau

Chief Executive Officer
7 September 2021

Financial review

Introduction

During H1 2021, we experienced subdued wholesale trading activity across most financial asset classes particularly in the second quarter of 2021, compared with both the first quarter of 2021, and the second quarter of 2020.

This was caused by a number of factors, including:

- The resurgence of COVID-19 that continued to impact our clients, with traders working from home and effectively having to limit their risk appetites;
- The disruption due to Brexit, which was especially notable at the EMEA region during the first few months of the year, as market participants sought to ensure full trading compliance with the prevalent rules in an ever-changing environment and
- General government actions designed to support the wider economy, through low interest rates and large quantitative easing programmes.

This muted and challenging environment heavily impacted our broking business in H1 2021, with revenue declining 1% on a constant currency (or 5% on a reported basis). These numbers include the revenue contribution of the newly acquired Liquidnet business, which is consolidated in our Group numbers from 23 March 2021. Excluding Liquidnet, our group revenues declined 7% on a constant currency basis (or 11% on a reported basis).

As announced at our Capital Markets Day ('CMD'), we have embarked on a multi-year journey to diversify our business, through meaningful investment. This objective will be accelerated by the Liquidnet acquisition. In the interim, Global Broking still provides around 60% of Group revenue, and as such weak wholesale trading conditions has adversely impacted our short-term performance.

Our H1 2021 adjusted operating costs increased 2% on a constant currency basis (declined 2% on a reported basis). Excluding the costs acquired with Liquidnet and LCM, front office costs were lower year on year mainly due to the fall in revenue. Broker compensation was marginally higher in the Period and included some benefit of the £35m cost savings plan that was realised in the Period. After the addition of Liquidnet and LCM, front office costs were 1% lower overall. Management and support costs were 12% higher, despite an £18m year-on-year reduction primarily driven by reductions in bonus accrual, holiday pay accrual, Covid-19 related IT investment and savings realised from the £35m cost savings plan. This was mainly due to the addition of £32m of support costs acquired with Liquidnet and LCM, the £14m adverse FX movement and the retranslation of financial assets. The significant items increased 3% at a pre-tax level to £60m, and this reflected previously identified costs regarding our redomiciliation to Jersey and the acquisition of Liquidnet.

Two factors have impacted profitability negatively; the lower revenue base but also our currency mismatch. As a reminder, the Group has c.60% of Group revenues and 40% of costs in USD. In H1 2021, GBP appreciated c.8% versus USD. This puts additional pressure on our EBIT and EBIT margin. The Group is not engaged in any active currency hedging for reporting purposes, as this is not considered beneficial for our shareholders through the cycle. With that in mind, reported and adjusted EBIT margin declined to 6.1% and 12.5% from 10.2% and 16.1% in the prior year respectively.

Overall our results reflect market conditions in the period. Despite this challenging environment we remain committed to investing in our strategic initiatives that will helps us achieve our medium term growth and margin improvement ambitions.

Robin Stewart, CFO

Financial and performance metrics

Our key financial and performance indicators for H1 2021 are summarised in the table below together with comparatives from the equivalent period in H1 2020.

	H1 2021			H1 2020		H1 2021 vs. 2020
	Group (exc. Liquidnet)	**Liquidnet**	**Total**	Reported	Constant Currency	Reported Change
	£m	**£m**	**£m**	£m	£m	£m
Revenue	**881**	**55**	**936**	990	947	-5%
Adjusted						
- Contribution	**333**	**26**	**359**	375	357	-4%
- Contribution margin	**37.8%**	**47.3%**	**38.4%**	37.9%	37.7%	+0.5%pts
- EBITDA	**148**	**7**	**155**	186	174	-17%
- EBIT	**119**	**(2)**	**117**	159	147	-26%
- EBIT margin	**13.5%**	**(3.6%)**	**12.5%**	16.1%	15.5%	-3.6%pts
Reported						
- EBIT			**57**	101		-44%
- EBIT margin			**6.1%**	10.2%		-4.1%pts
Average:						
- Broker headcount[1]	**2,760**		**2,760**	2,746		+1%
- Revenue per broker[2] (£'000)	**289**		**289**	330		-12%
- Contribution per broker[3] (£'000)	**106**		**106**	124		-15%
Period end:						
- Broker headcount[1]	**2,774**		**2,774**	2,728		+2%
- Total headcount	**4,932**	**470**	**5,402**	4,898		+10%

1. Average broker headcount excludes Liquidnet. Average broker headcount for H1 2020 has been restated to move 24 headcount as a result of the transfer of the Post-Trade Solutions business to Parameta Solutions during the first half of 2021. Period end 2020 broker headcount has been restated to move 26 Post-Trade Solutions headcount to Parameta Solutions .
2. Revenue per broker is defined as total broking revenues (Global Broking, Energy & Commodities and Agency Execution, excluding Liquidnet) excluding inter-division revenues divided by average broker headcount. H1 2020 has been restated following the transfer of the Post-Trade Solutions business to Parameta Solutions during 2021.
3. Contribution per broker represents broking contribution (as defined in the Contribution section) for Global Broking, Energy & Commodities and Agency Execution, excluding Liquidnet business, divided by average broker headcount with the prior year comparative calculated on the same basis. H1 2020 has been restated following the transfer of the Post-Trade Solutions business to Parameta Solutions during 2021.

Average broker headcount was 1% higher at 2,760 in H1 2021 from 2,746 in H1 2020 following the acquisition of Louis Capital Markets ('LCM'). Despite the 1% increase in the average number of brokers the revenue per broker declined 12% compared with 2020 on a reported basis (8% lower on a constant currency basis). The Period-end sales & support headcount increased 10%, primarily reflecting the acquisition of Liquidnet.

The tables that follow analyse revenue by business division as well as revenue and Adjusted operating profit ('EBIT') by primary operating segment for 2021 compared with the equivalent period in 2020. The tables also show the change on a constant currency basis.

Income Statement

The Group presents its reported results in accordance with IFRS as detailed in the financial statements. The Group also presents adjusted non-IFRS measures to report performance. Adjusted results and other alternative performance measures ('APMs') may be considered in addition to, but not as a substitute for, the reported results presented in accordance with IFRS. The Group believes that adjusted results and other APMs, when considered together with reported results, provide shareholders, analysts and other stakeholders with additional information to better understand the Group's financial performance and compare financial performance from period to period. These adjusted measures and other APMs are also used by management for planning and to measure the Group's performance. Management also uses adjusted measures to allow better comparability of information between operating segments. Investors and analysts should not rely on any single financial measure but should review the Interim Financial Statements, including the financial statements and notes, in their entirety.

Reported results are adjusted for significant items to derive adjusted results. A reconciliation from reported to adjusted measures is provided in the table below. The Group's adjusted performance is derived by adjusting reported results for Significant items. For H1 2021, the Group's adjusted and reported Earnings before interest and tax ('EBIT') of £117m and £57m, versus £159m and £101m in the same period of the prior year. Adjusted and reported EBIT decreased by 26% and 44% as the reported revenue reduction, together with the adverse FX impact, were not offset by equivalent declines in the management and supports costs, which is primarily incurred in GBP.

Income Statement

H1 2021 £m	**Adjusted**	**Significant items**	**Reported**
Revenue	**936**	**-**	**936**
Employment, compensation and benefits	**(591)**	**(9)**	**(600)**
General and administrative expenses	**(194)**	**(28)**	**(222)**
Depreciation and impairment of PPE and ROUA	**(24)**	**(2)**	**(26)**
Amortisation and impairment of intangible assets	**(14)**	**(21)**	**(35)**
Impairment of other assets	**-**	**-**	**-**
Operating expenses	**(823)**	**(60)**	**(883)**
Other operating income	**4**	**-**	**4**
EBIT	**117**	**(60)**	**57**
Net finance expense	**(29)**	**-**	**(29)**
Profit before tax	**88**	**(60)**	**28**
Tax	**(21)**	**(9)**	**(30)**
Share of net profit of associates and joint ventures	**9**	**(5)**	**4**
Non-controlling interests	**(1)**	**-**	**(1)**
Earnings	**75**	**(74)**	**1**
Average number of shares	**737.7**	**737.7**	**737.7**
Basic EPS	**10.2p**	**(10.1p)**	**0.1p**

H1 2020 £m	Adjusted	Significant items	Reported
Revenue	990		990
Employment, compensation and benefits	(637)	(2)	(639)
General and administrative expenses	(173)	(15)	(188)
Depreciation and impairment of PPE and ROUA	(18)	-	(18)
Amortisation and impairment of intangible assets	(9)	(20)	(29)
Impairment of other assets	-	(21)	(21)
Operating expenses	(837)	(58)	(895)
Other operating income	6	-	6
EBIT	159	(58)	101
Net finance expense	(23)	-	(23)
Profit before tax	136	(58)	78

Tax	(34)	1	(33)
Share of net profit of associates and joint ventures	10	-	10
Non-controlling interests	(1)	-	(1)
Earnings	111	(57)	54
Average number of shares	625.3	625.3	625.3
Basic EPS[1]	17.8p	(9.2p)	8.6p

1. *The average number of shares, used to calculate Basic EPS, has been restated to integrate the bonus element of the rights issued completed in February 2021*

Revenue

Total Revenue in the Period of £936m was 1% lower than the equivalent period last year on a constant currency basis and 5% lower on a reported basis. The prior year's comparative period reflected extraordinary volumes in March 2020, caused by volatile market conditions as result of the emergence of the COVID-19 pandemic. Wholesale trading activity in the current Period was notably subdued across most financial asset classes and particularly in the second quarter of 2021 compared with the prior year.

Excluding Liquidnet's revenue contribution of £55m, revenue in the Period was 7% lower for the equivalent period last year on a constant currency basis and 11% lower on a reported basis. Revenue in H1 2021 was 6% higher on a constant currency basis than the equivalent period for 2019 when volumes were more normalised.

The broking inter-division revenues and Data & Analytics interdivision costs are eliminated upon the consolidation of the Group financial results.

Revenue by Primary Operating Segment and Business Division

£m	H1 2021	H1 2020	Reported Change	Constant Currency Change
	£m	£m		
By Primary Operating Segment				
EMEA	**456**	488	-7%	-5%
Americas	**307**	377	-19%	-12%
Asia Pacific	**118**	125	-6%	-2%
Liquidnet	**55**	-	n/a	n/a
Total Revenue	**936**	**990**	**-5%**	**-1%**
By Business Division				
Rates[1]	**226**	277	-18%	-16%
Credit	**44**	51	-14%	-10%
FX & Money Markets	**86**	98	-12%	-9%
Emerging Markets	**92**	103	-11%	-6%
Equities	**117**	105	+11%	+18%
Inter-division revenues[2]	**10**	10	+0%	+0%
Total Global Broking	**575**	**644**	**-11%**	**-7%**
Energy & Commodities	**186**	216	-14%	-9%
Inter-division revenues[2]	**1**	1	+0%	+0%
Total Energy & Commodities	**187**	**217**	**-14%**	**-9%**
Excluding Liquidnet	**48**	57	-16%	-14%
Liquidnet[3]	**55**	-	n/a	n/a
Total Agency Execution[3]	**103**	**57**	**+81%**	**+84%**
Data & Analytics[1]	**72**	70	+3%	+11%
Post Trade Solutions	**10**	13	-23%	-17%
Total Parameta Solutions[1]	**82**	**83**	**-1%**	**+6%**
Inter-division eliminations[2]	**(11)**	(11)	+0%	+0%

Total Revenue	**936**	**990**	**-5%**	**-1%**

1. *For comparative purposes, in H1 2020, £12m revenue on a constant currency basis (£13m on a reported basis) have been reclassified from Global Broking' Rates business into Parameta Solutions as a result of the transfer of our Post-Trade Solutions business. Also, in H1 2020, an additional £1m Inter-division revenue in Global Broking has been recognised relating to SEF(Swap Execution Facility) revenue earned from clearing the Post-Trade Solutions revenues, with a corresponding increase in the revenue elimination upon consolidation.*
2. *Inter-division charges have been made by Global Broking and Energy & Commodities to reflect the value of proprietary data provided to the Parameta Solutions division. The prior year period has been restated in line with the new-presentation format. The Global Broking inter-division revenues and Parameta Solutions inter-division costs are eliminated upon the consolidation of the Group's financial results.*
3. *In H1 2021, £55m of revenue have been included within Agency Execution division arising from the Liquidnet acquisition that completed on 23 March 2021.*

Primary Operating Segments revenue

EMEA

EMEA revenue decreased by 7% in H1 2021 compared with the equivalent period in the prior year on a reported basis (5% lower on a constant currency basis). This reflected tough H1 2020 comparatives in Global Broking and Energy & Commodities.

In Global Broking, Rates, FX & Money Markets and Credit saw double-digit declines. Equities revenues were up due to strong performance in structured products, but primarily due to the addition of the acquisition of Louis Capital Markets (LCM). Agency Execution (excluding Liquidnet) continued to grow strongly due to the core strength in listed derivatives in the COEX brand. Similarly, Parameta Solutions continued to grow at double-digit, in spite of some weakness in Post-Trade Solutions revenue.

Americas

Americas revenue decreased by 19% in H1 2021 compared with the same period in the prior year on a reported basis (12% lower on a constant currency basis). This was again due to the extraordinary prior year comparatives to the prior year in Global Broking and Energy & Commodities.

Global Broking has seen lower volatility and trading volumes. Rates were materially down year-on-year when compared with strong March and April 2020 trading activity. Credit was also weaker than in the prior year, even though the electronic corporate bonds desk has had record Period. Equities revenue declined versus very strong comparative trading volumes.

In Energy & Commodities, power revenues were down year-on-year with declining volumes relative to the prior year.

Agency Execution revenue declined materially due to lower revenues in the non-COEX business, relating to interest rates relative value.

Parameta Solutions continued its organic growth, adding new salespeople, products and clients.

Asia Pacific

Asia Pacific revenue decreased by 6% in H1 2021 compared with the same period in the prior year on a reported basis (2% lower on a constant currency basis). The Global Broking business suffered an overall year on year revenue decrease of 10% on a reported basis (7% lower on a constant currency basis), owing in large part to resurgence of COVID-19 in the region, resulting in a slowdown of market activities as many customers turned to work from home and hence exercise a reduced trading appetite. The Energy and Commodities business in the region developed well in both scale and the level of diversification, with growth in most products following white space filling and strengthening of existing areas, especially in Oil. Overall revenue grew by 25% on a reported basis (32% higher on a constant currency basis). The business operates in 3 brands: Tullett Prebon, which has traditionally been strong in oil and related products together with precious metals, PVM, which is focused on oil and related products, and ICAP which has traditionally been strong in Iron Ore in Singapore and in Australian electricity.

Liquidnet

The Liquidnet acquisition was completed on the 23 March 2021. Following a robust pre-acquisition Q1 (driven by particularly strong retail activity), US share trading volumes declined by c.15% in Q2 relative to the prior year. Over the past year, US agency alternative trading systems ('ATS') block venues, like Liquidnet, have lost some market share to certain retail trading-driven ATS business models. In Europe, the high conviction/high volatility trading environment of Q1 21 manifested in robust block activity (below Q1 20, but well above historical averages). In contrast, the lower volatility, weak conviction conditions characterising the second quarter resulted in a reduced block component within overall trading activity.

Business Division revenue

Global Broking

Revenue of £575m was 11% lower than in H1 2020 on a reported basis (7% lower on a constant currency basis). Wholesale trading activity was notably subdued across most financial asset classes in the Period and particularly in the second quarter of 2021, compared with the prior period.

All asset classes saw lower revenues year-on-year, apart from Equities due to the inclusion of the LCM acquisition. The declines were more pronounced in Rates and Credit.

Rates activity was weaker, partly due to strong comparatives in Q1 2020, but also due to renewed global government support, including maintaining low interest rates and continued quantitative easing. In addition, disruption caused from Brexit and Libor transition impacted negatively the activity in the Period. Overall, Rates revenue declined 18% on a reported currency basis (16% on a constant currency basis). In credit markets, the conditions continue to be challenging as a number of new competitors continue to gain market share and the strong issuance growth in Q1 2021 did not lead to high secondary trading. This led Credit revenue to decline 14% on a reported basis (10% lower on a constant currency basis). FX & Money Markets and Emerging Markets both saw revenue declines of 9% and 6% on a constant currency basis on lower volatility.

Finally, Equities revenues increased 11% on a reported basis (18% higher on a constant currency basis). Market was favourable for structured products, and the group also benefited from the diversification from the LCM acquisition.

Energy & Commodities

Revenue of £187m were 14% lower than in H1 2020 on a reported basis (9% lower on a constant currency basis). This is mainly due to tough comparatives in H1 2020, where volumes reached extraordinary levels. Most E&C products including Power, Gas, Oil, Metals, Alternative Fuels and Soft & Agriculturals saw some revenue decline, albeit we witnessed good increases in Environmental and Minerals. In the oil markets volumes were down significantly but we fared better than the exchanges for H1 2021, as the exchanges previously picked up a significant amount of non-traditional oil business which has now left the market. The gas market is growing significantly but the exchanges and a number of new entrants picking up a significant amount of this new business, usually offering lower market prices. Asia has benefitted from a move of liquidity as the lockdowns have had a smaller impact on Singapore and Australia, and as such revenues were higher compared with the same period in the prior year. In the US the gas and power volumes are down and there has been a flight to quality which has benefitted our strong desks. Our H1 2021 revenue are c4% up on our pre-pandemic 2019 revenues on a constant currency basis.

Agency Execution

Revenue of £103m increased 81% on a reported basis (84% higher on a constant currency basis). The large increase (£55m) reflects the post-acquisition revenue of the Liquidnet business, which was completed on 23 March 2021. Excluding the Liquidnet revenue, Agency Execution revenue was £48m, a 16% decrease on a reported basis (14% lower on a constant currency basis). Overall, the COEX brand continued to grow especially for FX, reflation trades and listed futures and options products. However, this was offset by weaker relative value (RV) performance against extraordinary volumes in the prior year.

Liquidnet acquisition was completed on the 23 March 2021, and contributed £55m in H1 2021, primarily through its cash equities platform.

Overall, cash equities (the main product of Liquidnet in its current form) were generally robust in Q1 2021, albeit US share trading volumes declined by c.15% in Q2 21, compared with the prior year, although retail trading activity has remained materially higher as a share of trading than pre-pandemic levels. Over the course of the past year, US agency ATS have lost some market share to certain retail trading-driven ATS business models. In Europe, the high conviction/high volatility trading environment of Q1 21 manifested in robust block activity (below Q1 20, but well above historical averages). In contrast, the lower volatility, weak conviction conditions characterising the second quarter resulted in a reduced block component within overall trading activity.

Parameta Solutions

Revenue of £82m was 1% lower than in H1 2020 on a reported basis (6% higher on a constant currency basis). During the Period, we launched our new brand Parameta Solutions. Also, we transferred our Post-Trade Solutions (previously Global Broking's RMS) business to Parameta Solutions.

Data and Analytics (D&A) revenue continued to grow strongly (3% higher on a reported basis, 11% higher on a constant currency basis) with a lot of highlights. Most notably, there was a dramatic reduction in the cancellation rates vs. H1 2020. We were able to complete our first benchmark and index license, our first tri-party benchmark deal and signed a multi-year enterprise license with at tier-1 dealer. In addition, we were able to grow materially our client list after completing a Data License campaign with one of our top distributors. In terms of new products, we launched a new real time oil service, multiple RFR product and our inaugural Environmental package.

Post-Trade services revenue declined 23% on a reported basis (17% lower on a constant currency basis) on the back of lower secondary volumes. In terms of performance, the highlights for Post-Trade services were: (a) increasing revenues in eRepo platform, (b) growing revenues from our nascent MB Rebalance, (c) the transition of ClearCompress to a recognised compression solution provider and (d) continuous improvements in the Matchbook Rates and NDF platform.

Operating expenses

Total operating costs were £883m, which was 1% lower than in H1 2020 on a reported basis. Total adjusted operating costs of £823m in H1 2021 were 2% lower than H1 2020 (7% higher on a constant currency basis (see APM section for further details)). This has been driven by a decrease in front office and management and support costs.

£m	H1 2021	H1 2020[1]	Change	Reported Change	Constant Currency Change
Front office costs					
- Broking[2]	**546**	583	(37)	-7%	-2%
- Parameta Solutions	**31**	32	(1)	-3%	+3%
Total front office costs	**577**	615	(38)	-6%	-2%
Management and support costs					
- Employment costs	**123**	127	(4)	-3%	+2%
- Technology and related costs	**38**	38	-	+0%	+0%
- Premises and related costs	**15**	12	3	+25%	+25%
- Depreciation and amortisation	**38**	27	11	+41%	+41%

- FX losses/(gains)	**4**	(10)	14	+140%	+140%
- Other administrative costs	**28**	28	-	+0%	0%
Total management and support costs	**246**	222	24	+11%	+14%
Total adjusted operating costs	**823**	837	(14)	-2%	+2%
Significant items					
- Restructuring and other related costs	**12**	13	(1)	-8%	
- Disposals and acquisitions and investments in new businesses	**37**	22	15	+68%	
- Goodwill impairment	**-**	21	(21)	-100%	
- Legal and regulatory matters	**11**	2	9	+450%	
Total operating expenses	**883**	895	(12)	-1%	

1. Restated in line with our new divisional disclosures.
2. Includes all front-office costs, including broker compensation, travel & entertainment, telecommunications, information services, clearing and settlement fees as well as other direct costs.

The table above sets out operating expenses on the basis on which management chooses to view this area, divided principally between front office costs and management and support costs. Front office costs tend to have a large variable component to them and are directly linked to the output of our brokers. The largest element of this is broker compensation as well as other front office costs, which include travel and entertainment, telecommunications and information services, clearing and settlement fees as well as other direct costs. The remaining cost base represents the management and support costs of the Group.

Broking front-office costs decreased £37m, or 7% on a reported basis (-4% on a constant currency basis). The underlying increase in management and support costs (excluding the FX impact) is mainly attributed to recent acquisitions, mainly Liquidnet (+£28m) and Louis Capital Markets (LCM), partially offset by lower compensation costs due to the revenue declines, savings relating to the announced £35m cost savings plan and lower clearing & settlement costs.

Parameta solutions front-office costs decreased 3% on a reported (+3% on a constant currency basis), due to the continuous revenue growth for the Data & Analytics business.

Employment costs decreased 3% on a reported basis (2% higher on a constant currency basis). This is mainly due to recent acquisition of Liquidnet and LCM, partially offset by some savings relating to the announced £35m cost savings plan.

Technology and related costs were broadly stable at £38m, with additional Liquidnet technology costs (+£6m), largely offset by lower IT consultancy fees (-£6m), mainly due to the non-recurrence of COVID-19 cloud investment.

Premises and related costs increased +25% on a reported and constant currency basis. This relates to the Liquidnet acquisition.

Depreciation and amortisation increased by £11m or +41% on a reported basis (+46% on a constant currency basis). The majority of the increase relates to Liquidnet (£9m) with the rest attributed to depreciation (£2m) of our new London headquarters.

The £14m adverse change in FX gains and losses reflects the strengthening of GBP against other currencies on the retranslation of net financial assets, including cash.

Other administrative costs were stable on a reported basis (3% lower on a constant currency basis), due to lower travel & entertainment and other consultancy fees.

Significant items

Significant items are material items, that may span several accounting periods, that are excluded from adjusted measures to allow better comparability of financial performance from period to period and give additional information to better understand the Group's financial performance when considered together with reported results.

Total significant items, included in operating costs, amounted to £60m in H1 2021 (H1 2020: £58m) and £5m (H1 2020: £nil) as a loss on sale of associate which is reported separately on the income statement. Significant items include:

Restructuring and related costs of £12m (H1 2020: £13m)

Restructuring and related costs arise from initiatives to reduce the ongoing cost base and improve efficiency in the business to enable the delivery of our strategic priorities. These initiatives are material in size and nature to warrant exclusion from adjusted measures. These initiatives may span several accounting periods. Costs for other smaller scale restructuring are retained within both reported and adjusted results. In H1 2021, the following restructuring and related costs were considered to be significant items:

- £3m incurred on the Group's redomiciliation to Jersey, which was approved by Shareholders at the EGM in January. These costs are reflected within other general and administration expenses (made up of £2m legal fees and £1m accountancy fees);
- £4m in property related costs from the Group's leased property integration and includes: (a) property costs associated with Tower 42 and 155 Broadgate of £2m following the transfer and consolidation of the Group's space requirements to 135 Broadgate and (b) £2m in accelerated depreciation charges related to the now empty properties.
- £4m in employee redundancy costs associated with the Group's £35m costs saving programme and;
- £1m pension scheme and past service cost from a remeasurement of the Group's UK defined benefit scheme;

As adjusted results include the benefits of material restructuring programmes but some of the related costs have been excluded, they should not be regarded as a complete picture of the Group's financial performance, which is presented in the reported results.

Disposals, acquisitions and investments in new businesses of £42m (H1 2020: £22m)

Costs, and any related income, related to disposals, acquisitions and investments are transaction dependent and can vary significantly year on year, depending on the size and complexity of each transaction. These amounts, including the amortisation of intangible assets arising on consolidation, are excluded in deriving adjusted results to better reflect the trading performance of the Group and its segments. Amortisation of intangible assets arising on consolidation is treated in line with acquisition related costs, the exclusion of which normalises the impact of deal dependent pricing and allows comparability of performance from period to period. Amortisation of purchased and developed software is retained in both the reported and adjusted results as these are considered to be core to supporting the operations of the business.

In H1 2021 the following disposal, acquisition and investment costs were considered to be significant items:

- £21m in the amortisation of intangible assets recognised following acquisitions of which primarily £17m related to the amortisation of intangible assets in ICAP and £3m related to Liquidnet;
- £8m in acquisition costs incurred, mainly relating to Liquidnet;
- £3m of net losses on derivatives and foreign exchange, comprised of £8m of derivative losses offset by foreign currency exchange gains of £5m arising from economic hedging activities entered into to reduce the Group's exposure to a strengthening US dollar ahead of the Liquidnet acquisition;
- £5m in employee redundancy costs incurred to date as part of the Liquidnet integration programme; and
- £5m loss on disposal of Group's investment in an associate, reported separately on the Income Statement.

Goodwill impairment of £nil (H1 2020: £21m)

As with other related acquisition costs and adjustments, management consider goodwill impairment separately, due to significant variations year-on-year, to aid comparability of results. There was no goodwill impairment in H1 2021. In H1 2020, the carrying value of the Asia-Pacific CGU was written down by £21m.

Legal and regulatory matters of £11m (H1 2020: £2m)

Costs, and recoveries, related to certain legal and regulatory cases are treated as significant items due to their size and nature. Management consider these cases separately due to the judgements and estimation involved, the costs and recoveries of which could vary significantly year-on-year.

Total expense of £11m recognised for the half year ended 30 June 2021 for the following cases:

- £4m costs relating to the recently announced fine from the AMF following their investigation. The Group is currently considering an appeal to the ruling;
- £3m costs regarding the cum-ex legal case for an action by the Attorney General's office and the Cologne Public Prosecutor in Germany;
- £2m in net legal costs relating to ongoing court cases in Australia;
- £1m in expected legal and settlement costs related to a labour case in Brazil that existed prior to the ICAP acquisition; and
- £1m in legal fees in the pursuit of claims for costs relating to the Group Income Protection liabilities.

Primary Operating Segment analysis

The adjusted operating profit and adjusted operating profit margin by region are shown below are compared with reported data for the prior period.

H1 2021 (£m)	**EMEA**	**Americas**	**APAC**	**LQT**[2]	**Corp/ Treasury**	**Total**
Revenue	456	307	118	55	-	936
Total front office costs	(269)	(205)	(74)	(29)	-	(577)
Contribution	**187**	**102**	**44**	**26**	**-**	**359**
Contribution margin	*41.0%*	*33.2%*	*37.3%*	*47.3%*	-	*38.4%*
Management and support costs	(94)	(58)	(30)	(19)	(7)	(208)
Other operating income	2	1	1	-	-	4
Adjusted EBITDA	**95**	**45**	**15**	**7**	**(7)**	**155**
Adjusted EBITDA margin	*20.8%*	*14.7%*	*12.7%*	*12.7%*	-	*16.6%*
Depreciation and amortisation	(18)	(6)	(5)	(9)	-	(38)
Adjusted EBIT	**77**	**39**	**10**	**(2)**	**(7)**	**117**
Adjusted EBIT margin	*16.9%*	*12.7%*	*8.5%*	*(3.6%)*	-	*12.5%*

H1 2020 (£m)	EMEA	Americas	APAC	LQT[2]	Corp/ Treasury	Total
Revenue:	488	377	125	-	-	990
Total front office costs:	(281)	(246)	(81)	-	(7)	(615)
Contribution	**207**	**131**	**44**	**-**	**(7)**	**375**
Contribution margin	*42.4%*	*34.7%*	*35.2%*	-	-	*37.9%*
Management and support costs	(92)	(68)	(32)	-	(3)	(195)
Other operating income	2	1	3	-	-	6
Adjusted EBITDA	**117**	**64**	**15**	**-**	**(10)**	**186**
Adjusted EBITDA margin	*24.0%*	*17.0%*	*12.0%*	-	-	*18.8%*
- Depreciation and amortisation	(14)	(8)	(5)	-	-	(27)
Adjusted EBIT	**103**	**56**	**10**	**-**	**(10)**	**159**
Adjusted EBIT margin	*21.1%*	*14.9%*	*7.9%*	-	-	*16.1%*

1. The Group's geographic segments were re-organised following the approval of the redomiciliation of the listed entity shareholders in February 2021. The amounts for H1 2020 have been restated to reflect the new segmentation. £10m in net management support costs, previously in the EMEA segment were moved to the new Corporate/Treasury segment resulting in an increase in Adjusted EBIT of EMEA to £103m from the previously published £93m in H1 2020. There were no other material changes to metrics published in the H1 2020 press release.
2. LQT = Liquidnet. Due to the scale and strategic interest in the results of Liquidnet, management have decided to report it as its own primary operating segment.

EMEA

EMEA revenue for the region decreased by 7% in H1 2021 compared with the equivalent period in the prior year on a reported basis (5% lower on a constant currency basis). This reflected tough H1 2020 comparatives in Global Broking and Energy & Commodities, offset by good growth in Agency Execution (excluding Liquidnet) and Parameta Solutions.

Contribution margin decreased 1.4%pts to 41.0% mainly due to the revenue decline but also due to the re-signing of key staff in some core Global Broking areas. As such contribution declined to £187m, or 10% lower than in H1 2020.

EBIT margin reduced to 16.9%, or 4.2%pts lower, due to the lower revenue base. Management and support costs increased due to the LCM acquisition, but were partially offset by savings made as part of the £35m restructuring plan. EBIT declined to £77m, 25% lower than in the prior year.

Americas

Americas revenue decreased by 19% in H1 2021 compared with the same period in the prior year on a reported basis (12% lower on a constant currency basis). In Global Broking, all asset classes excluding FX & Money Markets and Emerging Markets reported lower revenues than the strong comparative period. Similarly, Energy & Commodities revenue in the prior period declined.

Agency Execution revenue decline was driven by lower revenues in the relative value business. Parameta Solutions continued its organic growth, adding new salespeople, products and clients.

The overall revenue reduction, combined with a number of new hires in equities, and our continued focus on broker retentions led to 22% lower contribution of £102m. As such, the contribution margin declined 1.5% pts to 33.2%.

The lower revenue base impacted the EBIT margin, which has declined 2.2% pts to 12.7%. This was despite a 15% management & support costs reduction to £58m.

Asia Pacific

Asia Pacific revenue decreased by 6% in H1 2021 compared with the same period in the prior year on a reported basis (2% lower on a constant currency basis), with strong Energy & Commodities offset by weaker Global Broking, as financial asset broking continued to be muted due to the resurgence of COVID-19.

H1 2021 contribution of £44m was in line with the prior year. The contribution margin for the region as a whole increased to 37.3%, 2.1% pts higher than equivalent period in the prior year. This was supported through reduction in broker compensation mainly through a carefully planned desk restructuring carried out last year, together with revenue improvements in the Energy and Commodities business.

The region's contribution was negatively impacted by Agency Execution in the short term as it continued to grow Coex FX Options and Rates businesses. Parameta Solutions, especially the global Matchbook Rates and NDF businesses centred in Singapore, continues to contribute to the region's overall performance.

EBIT was £10m for H1 2021, in line with the prior year, as lower revenues were offset by lower front-office and support costs. As a result, EBIT margin increased to 8.5%, or 0.6% pts higher year-on-year.

Liquidnet

Liquidnet revenues for the period in which it was consolidated (23 March to 30 June) were £55m as a consequence of lower equity market volumes in Q2 of 2021. During Q2 US share trading volumes declined by 15% relative to the prior year. In Europe, the high conviction and high volatility first quarter produced robust block activity, where as in the second quarter, lower volatility and weak conviction conditions resulted in a lower share for blocks within overall trading activity.

Liquidnet reported 47.3% contribution margin and -3.6% EBIT margin. The £2m EBIT loss reflects the impact of the revenue decline in the period since acquisition together with the scale of the acquired cost base. We have identified c.£20m of annualised cost synergies in the business, of which we expect to achieve around a quarter in 2021 and the remainder by the end of 2023. These savings around 10% of the annualised addressable costs of the business. We are targeting a cost to achieve these savings of around 1x the synergy savings.

Divisional EBIT analysis

This section outlines the performance of TP ICAP Group by division in terms of revenues, contribution and operating profit (EBIT). The broking inter-segmental revenues and Parameta Solutions inter-segmental costs are eliminated upon the consolidation of the Group financial results. There is additional disclosure regarding divisional revenue performance in the previous sections

Broking contribution (excluding Parameta Solutions and the newly acquired Liquidnet business) declined 14% to £292m (H1 2020 £341m), reflecting lower revenues across our broking businesses.

Contribution represents the revenue of our businesses less the total front office costs. An improvement in the absolute level of contribution is an important metric in driving earnings growth for the Group. In H1 2021 the overall level of contribution was 4% lower at £359m year-on-year. The overall contribution margin increased to 38.4% as lower revenues were more than offset by lower front office costs. TP ICAP's adjusted EBIT of £117m was 26% lower than the prior year, primarily reflecting lower revenues due to underlying performance and FX headwinds. Whilst the Group's underlying management and support costs were £18m lower year-on-year, this was offset by £48m of additional costs which comprise £32m of costs from the acquisitions of Liquidnet and LCM, £2m of strategic investment spend and a £14m movement in FX on our financial assets. The EBIT margin declined 3.6% points to 12.5%.

Global Broking revenue was 11% lower on a reported basis (7% lower on a constant currency basis) compared to a strong prior year comparative. This performance was only partially offset by good growth in Equities, driven by the acquisition of LCM.

The adjusted operating profit (EBIT) decreased 29% to £89m. This was a result of reduced revenue offset partially by lower management and support costs that included investment in our Hub strategy. Operating profit (EBIT) margin decreased 3.9% pts to 15.5%.

Energy & Commodities revenues decreased 14% on a reported basis (9% lower on a constant currency basis) compared with H1 2020 as market volatility declined versus extraordinary levels witnessed in the comparative period, especially between January and April. Revenues decreased in most products, including Oil and Power.

Contribution decreased 12% year on year to £64m, due to lower revenues. Our cost efficiency actions ensured that the contribution margin increased 0.6% pts.

The resulting adjusted EBIT decreased to £23m, or 28% lower versus H1 2020. The adjusted EBIT margin declined 2.4% pts to 12.3%.

Agency Execution revenue grew by 81% on a reported basis (84% higher on a constant currency basis) compared with H1 2021. This increase reflects revenue from the Liquidnet business acquired on 23 March 2021. Excluding Liquidnet revenue, Agency Execution revenue was £48m, a 16% decrease on a reported basis (14% lower on a constant currency basis).

Contribution increased to £36m, reflecting the impact of the Liquidnet acquisition, with contribution margin improving by 6.9% pts to 35.0%.

EBIT for the division was £nil (£8m lower year-on-year), with EBIT margin reducing from 14% to 0%. This reflects the impact of lower revenue in the TP ICAP business, together with the £2m EBIT loss of Liquidnet in the Period

Parameta Solutions revenue of £82m was 1% lower than in H1 2020 on a reported basis (6% higher on a constant currency basis). During the Period, we launched our new brand Parameta Solutions, which includes Data & Analytics and the Post-Trade Solutions business (transferred from Global Broking's RMS to Parameta Solutions).

Data and Analytics (D&A) revenue continued to grow strongly (3% higher on a reported basis and 11% higher on a constant currency basis). Post-Trade Solutions revenue declined 23% lower on a reported basis (17% lower on a constant currency basis) on the back of lower secondary volumes resulting from the impact of Libor transition.

Contribution was stable at £41m. Data & Analytics and Post-Trade Solutions continues to build scale, launching new higher-value products, improving distribution channels and increasing the number of clients in the buy-side and the sell-side. Contribution margin increased to 50.0% or 0.6% pts higher year-on-year.

Parameta Solutions adjusted EBIT of £32m was 6% lower than H1 2020, with adjusted EBIT margin declining 2% pts to 39%. This reflects additional investment in the Period in new product development and additional hires in the Global Sales team.

GB = Global Broking; E&C = Energy & Commodities; AE = Agency Execution, PS = Parameta Solutions, Corp/Elim = Corporate Centre, eliminations and other unallocated costs

H1 2021 (£m)	GB[1,2]	E&C[2]	AE[3]	PS[1,2]	Corp/ Elim	Total
Revenue:						
- External	565	186	103	82	-	936
- Inter-division[2]	10	1	-	-	(11)	-
	575	**187**	**103**	**82**	**(11)**	**936**
Total front office costs:						
- External	(357)	(123)	(67)	(30)	**-**	**(577)**
- Inter-division[2]	-	-	-	(11)	11	-
	(357)	**(123)**	**(67)**	**(41)**	**11**	**(577)**
Contribution	**218**	**64**	**36**	**41**	**-**	**359**
Contribution margin	*37.9%*	*34.2%*	*35.0%*	*50.0%*	-	*38.4%*
Net management and support costs:						
- Management and support costs	(115)	(36)	(25)	(8)	(24)	(208)
- Other operating income	1	-	-	-	3	4
Adjusted EBITDA	**104**	**28**	**11**	**33**	**(21)**	**155**
Adjusted EBITDA margin	18.1%	15.0%	10.7%	40.2%	-	16.6%
- Depreciation and amortisation	(15)	(5)	(11)	(1)	(6)	(38)
Adjusted EBIT	**89**	**23**	**-**	**32**	**(27)**	**117**
Adjusted EBIT margin	***15.5%***	***12.3%***	***0.0%***	***39.0%***	**-**	***12.5%***
Significant items						(60)
Reported EBIT						57
Reported EBIT margin						*6.1%*
Average broker headcount	1,987	655	118	n/a	n/a	2,760
Average sales headcount	-	-	63	n/a	n/a	63
Revenue per broker[4]	284	284	407	n/a	n/a	289
Contribution per broker[4]	110	98	85	n/a	n/a	106[4]

The adjusted operating profit and adjusted operating profit margin by region are shown below are compared with reported data for the prior period.

H1 2020 (£m)	GB[1,2]	E&C[2]	AE	PM[1,2]	Corp/ Elim	Total
Revenue:						
- External	634	216	57	83	-	990
- Inter-division[2]	10	1	-	-	(11)	-
	644	**217**	**57**	**83**	(11)	**990**
Total front office costs:						
- External	(392)	(144)	(41)	(31)	(7)	**(615)**
- Inter-division[2]	-	-	-	(11)	11	-
	(392)	**(144)**	**(41)**	**(42)**	**4**	**(615)**
Contribution	**252**	**73**	**16**	**41**	**(7)**	**375**
Contribution margin	*39.1%*	*33.6%*	*28.1%*	*49.4%*		*37.9%*
Net management and support costs:						
- Management and support costs	(115)	(37)	(8)	(6)	(29)	(195)
- Other operating income	2	-	-	-	4	6
Adjusted EBITDA	**139**	**36**	**8**	**35**	**(32)**	**186**
Adjusted EBITDA margin	*21.6%*	*16.6%*	*14.0%*	*42.2%*		*18.8%*
- Depreciation and amortisation	(14)	(4)	-	(1)	(8)	(27)
EBIT	**125**	**32**	**8**	**34**	**(40)**	**159**
Adjusted EBIT margin	***19.4%***	***14.7%***	***14.0%***	***41.0%***		***16.1%***
Significant items						*(58)*
Reported EBIT						101
Reported EBIT margin						*10.2%*
Average broker headcount	1,982	661	103	n/a	n/a	2,746
Average sales headcount	-	-	n/a	n/a	n/a	n/a
Revenue per broker	320	327	553	n/a	n/a	330
Contribution per broker	127	110	155	n/a	n/a	124[4]

1. *Following the formation of the Parameta Solutions business , the Post-trade Solutions business reported in the Rates asset class within Global Broking was transferred to Parameta Solutions. The comparative revenues of Rates within Global Broking and Parameta Solutions have been restated to reflect the restructuring. third party revenues in H1 2020 amounted to £13m. Additionally, inter-division revenue has increased by £1m reflect sale of clearing services to Post-trade Solutions, which eliminate on consolidation. Adjusted EBIT (operating profit) within the Global Broking division has been reduced by £6m with the corresponding increase reflected in the results of Parameta Solutions.*
2. *Inter-division charges have been made by Global Broking and Energy & Commodities to reflect the value of proprietary data provided to the Parameta Solutions division. The prior year period has been restated in line with the new-presentation format. The Global Broking inter-division revenues and Parameta Solutions inter-division costs are eliminated upon the consolidation of the Group's financial results.*
3. *For H1 2021, £55m of revenue has been included within Agency Execution relating to the Liquidnet acquisition that completed on 23 March 2021.*
4. *Revenue and contribution by broker is calculated as external revenues and contribution of GB, E&C and AE, excluding Liquidnet, divided by the average brokers for the Period. The Group revenue and contribution by broker excludes revenue and contribution from PS and Liquidnet, included within AE. Revenue and Contribution attributed to Liquidnet in 2021 was £55m and £26m, respectively.*

Group Net finance expense

The adjusted net finance expense of £29m is £6m higher than the £23m charged in H1 2020 reflecting the impact of additional debt drawn to partially finance the Liquidnet acquisition and the impact of foreign currency options purchased to hedge the acquisition proceeds. This comprises £30m of interest expense, of which £18m relates to the Group's Sterling Notes, £2m of from interest and commitment fees on bank facilities, £1m of amortisation of debt issue costs and bank facilities arrangement fees and £2m of amortisation of the premium paid on foreign currency options purchased in 2020. £6m of interest was incurred on finance lease liabilities and there was £1m from other sources . The expense is offset by £1m of interest income.

Group Tax

The effective rate of tax on adjusted profit before tax is 24.4% (H1 2020: 25.0%). The effective rate of tax on reported profit before tax is 107.0% (H1 2020: 42%). The higher rate on reported profit before tax is due primarily to £16m increase in the deferred tax liability recognised in respect of intangible assets arising on consolidation following the announcement of a future increase in the UK corporation tax rate, which is included within significant items.

Basic EPS

The average number of shares used for the basic EPS calculation of 737.7m reflects the 563.3m shares in issue at 31 December, increased by 225.4m shares issued under the rights issue, less 8.1m shares held by the TP ICAP plc Employee Benefit Trust at the end of the Period, less the time apportionment impact of the rights issue of 41.6m and the time apportioned movements in shares held by the EBT used to settle deferred share awards of 1.3m. The average number of shares in issue for June 2020 and December 2020 have been restated from the published numbers of 557.3m and 557.0m to 625.3m and 625.0m, respectively, reflecting the impact of the bonus element of the rights issue. The TP ICAP plc Employee Benefit Trust has waived its rights to dividends.

The reported Basic EPS for the Period was 0.1p (H1 2020: 8.6p), and adjusted Basic EPS for the Period was 10.2p (H1 2020: 17.8p).

Dividend

A 4.0p per share interim dividend (H1 2020 reported: 5.6p, H1 2020 pro-forma for the bonus element of the February 2021 rights issue: 4.0p) will be paid on 5 November 2021 to shareholders on the register at close of business on 1 October 2021. The ex-dividend date will be 30 September 2021.

The Group has previously announced its intention to pay 2x adjusted earnings on an annual basis.

The Company offers a Dividend Reinvestment Plan ('DRIP'), where dividends can be reinvested in further TP ICAP Group plc shares. The DRIP election cut-off date will be 15 October 2021.

Cash Flow

£m	**H1 2021**	**H1 2020**
Adjusted EBITDA[1]	**155**	**186**
Share based compensation and pension admin fees	6	4
Change in initial contract prepayments	2	-
Working capital	(55)	(14)
Capital expenditure	(30)	(23)
Interest paid and bank fees	(28)	(24)
Income taxes paid	(25)	(37)
Free cash flow[1]	**25**	**92**
Free Cash Flow Margin[2]	*2.7%*	*9.3%*
Cash flow impact of significant items	(31)	(9)
Net cash paid to acquire subsidiaries	(249)	-
Dividends from associates and joint ventures, net of investment	9	2
Deferred consideration paid on prior acquisitions	(7)	(4)
Other investing activities	6	4
Net proceeds from rights issue	309	-
Dividends paid to shareholders and non-controlling interest	(17)	(63)
Own shares acquired for employee trusts	-	(9)
Payment of lease liabilities (capital element)	(16)	(16)
Cash movements in net funds[3]	**29**	**(3)**
Net funds, excluding lease liabilities, at the beginning of the period[1]	58	135
Non-cash movements:		
Liquidnet Vendor Loan Notes	(36)	-
Debt issue costs amortisation (see note 19)	-	(1)

Foreign exchange movements	(6)	25
Net funds, excluding lease liabilities, at the end of the period[1]	**45**	**156**

1 Adjusted EBITDA, Free cash flow and net funds are APMs and used to assess the performance of the Group and are not defined under IFRS. Further information on APMs including a reconciliation to an IFRS measure, are set out in the APM Glossary.
2 Free cash flow margin is calculated as Free Cash Flow divided by Revenue.
3 Cash movements in net funds is reconciled to net increase/decrease in cash and cash equivalents, an IFRS measure, is set out in the APM Glossary.

Free Cash flow decreased by £25 million during the Period reflecting the impact of:

a) lower Adjusted EBITDA in line with lower revenues partly offset by lower cash costs;
b) working capital outflow of £55m (H1 2020: outflow of £14m) that principally reflects the increase in trade receivables (including clearing organisation balances) £43m (H1 2020: £18m); minimal (£1m) outflow from settlement balances (H1 2020: £6m outflow); outflows in respect of provisions of £4m (H1 2020: £3m) and other debtors and creditors (£9m) (H1 2020: £3m inflow); and an increase in unused annual leave accrual of £2m (H1 2020: £10m);
c) Capital expenditure increased to £30m (H1 2020: £23m), £7m higher than in the prior period. This is the result of £4m of capital expenditure relating to Liquidnet, incremental spending on our new London Headquarters and ongoing IT investment projects;
d) £4m increase in interest paid, which included £2m of additional finance lease interest (£1m for Liquidnet) and £1m of from increased borrowing facility drawings used as part of the funding of the Liquidnet acquisition; and
e) £25m of adjusted tax payments. This is lower than H1 2020 tax payments of £37m due to lower profitability and because H1 2020 was a transitional period in which UK tax was paid in relation to both 2019 and 2020 profits.

As a result, the Group's free cash flow reduced to £25m from £92m, and the free cash flow margin decrease to 2.7% from 9.7%.

The cash flow on significant items of £31m primarily reflects Liquidnet acquisition costs (including hedging), costs-to-achieve the £35m cost savings plan, expenses incurred in the German and Australian legal cases and the costs of redomiciliation following shareholder approval in February 2021.

In March 2021, the Group paid £451m (including cash acquired of £202m) for Liquidnet (Note 24) which was partly funded by the net proceeds of £309m from the rights issue undertaken in February 2021.

Total dividends paid to shareholders (including £1m paid to non-controlling interests) were £17m, reflecting the 2020 final dividend of 2p on the enlarged share base following the rights issue.

Capital payments on finance lease liabilities were unchanged compared to the prior period.

Debt finance

The composition of the Group's outstanding debt is summarised below.

£m	**At 30 June 2021**	At 30 June 2020	At 31 December 2020
5.25% Sterling Notes January 2024	**431**	431	431
5.25% Sterling Notes May 2026	**250**	250	250
Loan from related party	**65**	-	28
Revolving credit facility drawn	**42**	40	-
Unamortised debt issue costs	**(2)**	(2)	(2)
3.2% Liquidnet Vendor Loan Notes	**36**	-	-

Overdrafts	**32**	-	7
Accrued interest	**11**	11	11
Debt (used as part of net funds/(debt))	**865**	730	725
Lease liabilities	**286**	216	212
Total Debt	**1,151**	946	937

The Group's core debt, pre-lease liability has increased to £865m. The increase was due to a drawdown on our revolving credit facility ('RCF') of $58m (£42m) and the credit facility with Totan of Yen10bn (£65m). The £270m RCF matures in December 2023 and the Yen10bn Totan facility matures in August 2023.

Vendor loan notes of $50m (£36m) were issued as part of the purchase consideration of Liquidnet.

Exchange rates

The income statements and balance sheets of the Group's businesses whose functional currencies are not GBP are translated into Sterling at average and period end exchange rates respectively. The most significant exchange rates for the Group are the US Dollar and the Euro. The Group's current policy is not to enter into formal hedges of income statement or balance sheet translation exposures. Average and period end exchange rates used in the preparation of the financial statements are shown below.

	Average			Period End		
	H1 2021	H1 2020	FY 2020	**H1 2021**	H1 2020	H2 2020
US Dollar	**$1.39**	$1.28	$1.29	**$1.38**	$1.24	$1.37
Euro	**€1.15**	€1.15	€1.13	**€1.17**	€1.10	€1.12

Pensions

The Group has one defined benefit pension scheme in the UK which is in the process of being wound up and individual policies issued to beneficiaries. During the wind-up period, the Group will continue to restrict the recognition of the net surplus applying an asset recognition ceiling.

Following the full settlement of the Scheme's liabilities the Scheme will be wound-up and the sponsor expects to receive the remaining assets. Any repayment received will also be subject to applicable taxes at that time, currently 35%.

Regulatory capital

Following the Group's redomiciliation to Jersey on 26 February 2021, the Group now falls under the regulation of the Jersey Financial Services Commission. At a Group level, the Group is no longer subject to the consolidated capital adequacy requirements under CRD IV and as a result the 'Financial Holding Company test' and CRD IV waiver requirements of the FCA are no longer applicable. The FCA has become the lead regulator of the Group's EMEA business, sub-consolidated under a UK holding Company, for which the consolidated capital adequacy requirements under CRD IV now apply. This sub-group has not applied for a waiver as the sub-group maintains an appropriate excess of financial resources.

Many of the Group's broking entities are regulated on a 'solo' basis, and are obliged to meet the regulatory capital requirements imposed by the local regulator of the jurisdiction in which they operate. The Group maintains an appropriate excess of financial resources in such entities.

Going concern

The Group has sufficient financial resources both in the regions and at the corporate centre to meet the Group's ongoing obligations. The Directors have assessed the outlook of the Group, including consideration of the enlarged Group following the acquisition of Liquidnet, for at least 12 months from date of approval of the financial statements by considering medium-term projections as well as stress tests and mitigation plans. These forecasts and stress tests take into account both the ongoing COVID-19 pandemic and Brexit. Based on this assessment the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Interim Financial Statements continue to be prepared on the going concern basis.

Condensed Consolidated Income Statement

for the six months ended 30 June 2021

	Notes	**Six months ended 30 June 2021 £m**	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Revenue	5	**936**	990	1,794
Employment, compensation and benefits	6	**(600)**	(639)	(1,153)
General and administrative expenses	6	**(222)**	(188)	(360)
Depreciation and impairment of PPE and ROUA	6	**(26)**	(18)	(37)
Amortisation and impairment of intangible assets	6	**(35)**	(29)	(59)
Impairment of other assets	6	**-**	(21)	(23)
Total operating costs	6	**(883)**	(895)	(1,632)
Other operating income	7	**4**	6	16
EBIT/operating profit		**57**	101	178
Finance income	8	**1**	2	3
Finance costs	9	**(30)**	(25)	(52)
Profit before tax		**28**	78	129
Taxation		**(30)**	(33)	(48)
(Loss)/profit after tax		**(2)**	45	81
Share of results of associates and joint ventures		**9**	10	16
Loss on sale of associate		**(5)**	-	-
Profit for the period		**2**	55	97
Attributable to:				
Equity holders of the parent		**1**	54	96
Non-controlling interests		**1**	1	1
		2	55	97
Earnings per share (restated)[1]				
- Basic	10	**0.1p**	8.6p	15.4p
- Diluted	10	**0.1p**	8.5p	15.2p

1. Earnings per share for June 2020 and December 2020 have been restated reflecting the bonus element of the 2021 rights issue (Note 10).

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2021

	Six months ended 30 June 2021 (unaudited) £m	Six months ended 30 June 2020 (unaudited) £m	Year ended 31 December 2020 £m
Profit for the period	**2**	55	97
Items that will not be reclassified subsequently to profit or loss:			

Remeasurement of defined benefit pension schemes	**1**	-	2
Equity investments at FVTOCI			
– net change in fair value	**-**	(1)	-
Taxation relating to items not reclassified	**-**	-	-
	1	(1)	2
Items that may be reclassified subsequently to profit or loss:			
Fair value movements on net investment hedge	**3**	-	2
Effect of changes in exchange rates on translation of foreign operations	**(21)**	66	(30)
Taxation	**-**	1	(1)
	(18)	67	(29)
Other comprehensive (loss)/income for the period	**(17)**	66	(27)
Total comprehensive (loss)/income for the period	**(15)**	121	70
Attributable to:			
Equity holders of the parent	**(15)**	118	69
Non-controlling interests	**-**	3	1
	(15)	121	70

Condensed Consolidated Balance Sheet

as at 30 June 2021

	Notes	**30 June 2021 (unaudited) £m**	30 June 2020 (unaudited) £m	31 December 2020 £m
Non-current assets				
Intangible assets arising on consolidation	12	**1,766**	1,505	1,463
Other intangible assets		**91**	62	58
Property, plant and equipment		**135**	82	101
Right-of-use assets	13	**215**	164	163
Investment in associates		**51**	60	61
Investment in joint ventures		**29**	27	29
Other investments		**20**	17	18
Deferred tax assets	16	**7**	3	4
Retirement benefit assets		**1**	-	-
Other long term receivables	14	**29**	25	24
		2,344	1,945	1,921
Current assets				
Trade and other receivables	14	**76,288**	37,672	70,027
Financial investments	19	**117**	158	127
Derivative financial instruments		**-**	-	3
Cash and cash equivalents	19	**793**	728	656
		77,198	38,558	70,813
Total assets		**79,542**	40,503	72,734
Current liabilities				
Trade and other payables		**(76,176)**	(37,577)	(69,927)
Interest bearing loans and borrowings	15	**(150)**	(51)	(46)
Lease liabilities	17	**(26)**	(22)	(26)
Current tax liabilities		**(31)**	(55)	(28)
Short term provisions	20	**(12)**	(20)	(17)

		(76,395)	(37,725)	(70,044)
Net current assets		**803**	833	769
Non-current liabilities				
Interest bearing loans and borrowings	15	**(715)**	(679)	(679)
Lease liabilities	17	**(260)**	(194)	(186)
Deferred tax liabilities	16	**(108)**	(78)	(79)
Long term provisions	20	**(26)**	(26)	(23)
Other long term payables		**(55)**	(16)	(23)
Retirement benefit obligations		**(2)**	(2)	(2)
		(1,166)	(995)	(992)
Total liabilities		**(77,561)**	(38,720)	(71,036)
Net assets		**1,981**	1,783	1,698
Equity				
Share capital	23	**197**	141	141
Share premium	23	**-**	17	17
Merger reserve	23	**-**	1,384	1,384
Other reserves	23	**(1,024)**	(1,148)	(1,246)
Retained earnings	23	**2,790**	1,368	1,383
Equity attributable to equity holders of the parent		**1,963**	1,762	1,679
Non-controlling interests	23	**18**	21	19
Total equity		**1,981**	1,783	1,698

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2021

	Equity attributable to equity holders of the parent (Note 23)											
	Share capital	**Share premium account**	**Merger reserve**	**Reverse acquisition reserve**	**Re-organisation reserve**	**Re-valuation reserve**	**Hedging and translation**	**Own shares**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
30 June 2021 (unaudited)												
Balance at 1 January 2021	**141**	**17**	**1,384**	**(1,182)**	**-**	**4**	**(41)**	**(27)**	**1,383**	**1,679**	**19**	**1,698**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**	**1**	**2**
Other comprehensive income/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(17)**	**-**	**1**	**(16)**	**(1)**	**(17)**
Total comprehensive Income/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(17)**	**-**	**2**	**(15)**	**-**	**(15)**
Rights issue	**56**	**259**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**315**	**-**	**315**
Rights issue costs	**-**	**(6)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6)**	**-**	**(6)**
Scheme of Arrangement: Cancellation of existing shares and reserves	**(197)**	**(270)**	**(1,384)**	**1,182**	**669**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Scheme of Arrangement: Issue of ordinary shares	**197**	**1,418**	**-**	**-**	**(1,615)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital reduction	**-**	**(1,418)**	**-**	**-**	**-**	**-**	**-**	**-**	**1,418**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16)**	**(16)**	**(1)**	**(17)**
Share settlement of share-based payment awards	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**(3)**	**-**	**-**	**-**

	Share capital £m	Share premium account £m	Merger reserve £m	Reverse acquisition reserve £m	Re-organisation reserve £m	Re-valuation reserve £m	Hedging and translation £m	Own shares £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	6	6	-	6
Balance at 30 June 2021	**197**	**-**	**-**	**-**	**(946)**	**4**	**(58)**	**(24)**	**2,790**	**1,963**	**18**	**1,981**

	Equity attributable to equity holders of the parent											
	Share capital	Share premium account	Merger reserve	Reverse acquisition reserve	Re-organisation reserve	Re-valuation reserve	Hedging and translation	Own shares	Retained earnings	Total	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
30 June 2020 (unaudited)												
Balance at 1 January 2020	141	17	1,384	(1,182)	-	5	(12)	(16)	1,375	1,712	18	1,730
Profit for the period	-	-	-	-	-	-	-	-	54	54	1	55
Other comprehensive income/(loss) for the period	-	-	-	-	-	(1)	65	-	-	64	2	66
Total comprehensive income for the period	-	-	-	-	-	(1)	65	-	54	118	3	121
Dividends paid	-	-	-	-	-	-	-	-	(63)	(63)	-	(63)
Gain on disposal of equity instruments at FVTOCI	-	-	-	-	-	(1)	-	-	1	-	-	-
Share settlement of share-based payment awards	-	-	-	-	-	-	-	3	(3)	-	-	-
Own shares acquired for employee trusts	-	-	-	-	-	-	-	(9)	-	(9)	-	(9)
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	4	4	-	4
Balance at 30 June 2020	141	17	1,384	(1,182)	-	3	53	(22)	1,368	1,762	21	1,783

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2021

	Equity attributable to equity holders of the parent											
	Share capital	Share premium account	Merger reserve	Reverse acquisition reserve	Re-organisation reserve	Re-valuation reserve	Hedging and translation	Own shares	Retained earnings	Total	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December 2020												
Balance at 1 January 2020	141	17	1,384	(1,182)	-	5	(12)	(16)	1,375	1,712	18	1,730
Profit for the period	-	-	-	-	-	-	-	-	96	96	1	97
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(29)	-	2	(27)	-	(27)
Total comprehensive Income/(loss) for the period	-	-	-	-	-	-	(29)	-	98	69	1	70
Dividends paid	-	-	-	-	-	-	-	-	(94)	(94)	(1)	(95)
Gain on disposal of equity instruments at FVTOCI	-	-	-	-	-	(1)	-	-	1	-	-	-
Share settlement of share-based payment awards	-	-	-	-	-	-	-	3	(3)	-	-	-
Own shares acquired for employee trusts	-	-	-	-	-	-	-	(14)	-	(14)	-	(14)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1	1
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	6	6	-	6
Balance at 31 December 2020	141	17	1,384	(1,182)	-	4	(41)	(27)	1,383	1,679	19	1,698

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2021

	Notes	**Six months ended 30 June 2021 (unaudited)**	Six months ended 30 June 2020 (unaudited)	Year ended 31 December 2020
		£m	£m	£m
Cash flows from operating activities	18	**24**	106	144
Investing activities				
Sale/(purchase) of financial investments		**9**	(8)	18
Sale of equity investments at FVTOCI		**-**	2	2
Settlement/(purchase) of derivative financial instruments		**5**	-	(2)
Interest received		**1**	2	3
Dividends from associates and joint ventures		**10**	3	13
Expenditure on intangible fixed assets		**(16)**	(10)	(16)
Purchase of property, plant and equipment		**(14)**	(13)	(35)
Direct costs of acquiring ROUA		**-**	-	(2)
Deferred consideration paid		**(7)**	(4)	(22)
Investment in associates		**(1)**	(1)	(3)
Acquisition consideration paid	24	**(451)**	-	(18)
Cash acquired with acquisitions[2]	24	**202**	-	9
Net cash flows from investment activities		**(262)**	(29)	(53)
Financing activities				
Dividends paid	12	**(16)**	(63)	(94)
Dividends paid to non-controlling interests		**(1)**	-	(1)
Proceeds of rights issue		**315**	-	-
Issue costs of rights issue		**(6)**	-	-
Own shares acquired for employee trusts		**-**	(9)	(14)
Net borrowing of bank loans[1]		**40**	40	**-**
Net borrowing from related party[1]		**39**	-	28
Payment of lease liabilities		**(16)**	(16)	(24)
Net cash flows from financing activities		**355**	(48)	(105)
Net increase/(decrease) in cash and overdrafts		**117**	29	(14)
Cash and cash equivalents at the beginning of the period		**649**	676	676
Effect of foreign exchange rate changes		**(5)**	23	(13)
Net cash and cash equivalents at the end of the period	19	**761**	728	649
Cash and cash equivalents		**793**	733	656
Overdrafts		**(32)**	(5)	(7)
Net cash and cash equivalents at the end of the period		**761**	728	649

1. The Group utilises credit facilities throughout the year, entering into numerous short term bank and other loans where maturities are less than three months. The turnover is quick and the volume is large and resultant flows are presented net. Further details are set out in Note 15.
2. Cash acquired with acquisitions in the Period represents cash and cash equivalents held by Liquidnet legal entities to meet regulatory and operational requirements, including £56m of restricted cash held to meet customer obligations. Details of the Liquidnet acquisition are set out in Note 24.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2021

1. General information

The condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with the Disclosure and Transparency Rules ('DTR') of the Financial Conduct Authority and with IAS 34 'Interim Financial Reporting' as adopted and endorsed by the UK Endorsement Board and the European Union ('EU'), and IAS 34 as issued by the International Accounting Standards Board ('IASB'). This condensed financial information should be read in conjunction with the statutory Group Financial Statements of TP ICAP plc for the year ended 31 December 2020 (the '2020 Group Financial Statements') which were prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

The Group Financial Statements have been reported on by the Company's auditors, Deloitte LLP, and have been delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated financial information for the six months ended 30 June 2021 has been prepared using accounting policies consistent with the 2020 Group Financial Statements. The interim information, together with the comparative information contained in this report for the year ended 31 December 2020, does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The financial information is unaudited but has been reviewed by the Company's auditor, Deloitte LLP, and their report appears at the end of the Interim Management Report.

2. Basis of preparation

(a) Basis of accounting

The Condensed Consolidated Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis continues to be used in preparing these Condensed Consolidated Financial Statements.

The Condensed Consolidated Financial Statements are rounded to the nearest million pounds (expressed as £m), except where otherwise indicated.

(b) Basis of consolidation

The Group's Condensed Consolidated Financial Statements incorporate the financial information of the Company and entities controlled by the Company made up to each reporting period. Under IFRS 10 control is achieved where the Company exercises power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect the returns from the entity.

(c) Presentation of the Income Statement

Previously the Group presented a columnar format for its Consolidated Income Statement in order to aid the understanding of the 'underlying' performance measures used by the Group's Chief Operating Decision Maker ('CODM') and to provide a reconciliation to the Group's IFRS reported numbers. The information considered by the Group's CODM is now contained in Note 5 'Segmental Analysis', and in the Financial and Operating Review.

(d) Accounting policies

Except as described below, the accounting policies applied in these Condensed Consolidated Financial Statements are the same as those applied in the Group's Consolidated Financial Statements as at and for the year ended 31 December 2020.

The following new Standards and Interpretations have been endorsed by the UK Endorsement Board and are effective from 1 January 2021 but they do not have a material effect on the Group's financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2;
- Amendments to IFRS 4: Insurance Contracts – deferral of IFRS 9; and
- Amendments to IFRS 16: Leases - COVID-19-related Rent Concessions beyond 30 June 2021.

(e) Use of estimates and judgements

For the year ended 31 December 2020 the Group's critical accounting estimates and judgements, which are stated on pages 85, 86 and 140 of the Annual Report and Accounts 2020, were those that relate to provisions for liabilities, and the impairment of goodwill and intangible assets. As a result of the acquisition of Liquidnet during the current period, the Directors have applied estimates and judgements when identifying and measuring the fair value of intangible and tangible assets, and liabilities that arise on consolidation.

Accounting for business combinations requires the excess of the purchase price of acquisitions to be allocated to the identifiable assets and liabilities of the acquired entity. Note 24 provides details of the Liquidnet acquisition, the accounting for which remains provisional due to the proximity of the acquisition to the reporting date. The Group has made estimates to determine the provisional acquisition date fair values of the intangible assets that arise on consolidation and to estimate the useful lives of these assets. The finalisation of the acquisition accounting for Liquidnet will be undertaken during the twelve month measurement period permitted by IFRSs and could result in material changes from the current estimates. A 10% increase in the value of separately identifiable intangible assets would decrease goodwill by £12m.

(f) Corporate reorganisation

In February 2021 the Group adjusted its corporate structure. TP ICAP Group plc was incorporated in Jersey on 23 December 2019 and became the new listed holding company of the Group on 26 February 2021 via a court-approved scheme of arrangement under Part 26 of the UK Companies Act 2006, with the former holding company, TP ICAP plc subsequently being renamed TP ICAP Limited. Under the scheme of arrangement, shares in the former holding company of the Group were cancelled and the same number of new ordinary shares were issued to the new holding company in consideration for the allotment to shareholders of one ordinary share of 25 pence in the new holding company for each ordinary share of 25 pence they held in the former holding company. On 26 February 2021, TP ICAP Group plc effected a reduction of its share capital by cancelling its share premium and recognising an equivalent increase in the profit and loss account in reserves.

The share for share exchange between TP ICAP plc and TP ICAP Group plc was a common control transaction and has been accounted for using merger accounting principles. Under these principles the results and cashflows of all the combining entities are brought into the consolidated financial statements from the beginning of the financial year in which the combination occurs and comparative figures also reflect the combination of the entities. The Group's equity is adjusted to reflect that of the new holding company, but in all other aspects the Group results and financial position are unaffected by the change and reflect the continuation of the Group.

3. Related party transactions

The total amount included in trade receivables due from related parties as at 30 June 2021 was £5m (31 December 2020: £3m) and the amount included in trade payables due to related parties as at 30 June 2021 was £3m (31 December 2020: £3m). Loans from a related party amounted to £65m as at 30 June 2021 (31 December 2020: £28m).

4. Principal risks and uncertainties

Robust risk management is fundamental to the achievement of the Group's objectives. The Group identifies the risks to which it is exposed as a result of its business objectives, strategy and operating model, and categorises those risks into five 'risk objectives': Financial position, Operational effectiveness and resilience, Regulatory standing, Reputation and Business strategy. The risks identified within each of these categories, along with an explanation of how the Group seeks to manage or mitigate these risk exposures can be found on pages 45 to 49 of the latest Annual Report which is available at www.tpicap.com. The Directors do not consider that the principal risks and uncertainties have changed since the publication of the Annual Report for the year ended 31 December 2020. Risks and uncertainties, which could have a material impact on the Group's performance over the remaining six months of the financial year are discussed in the Interim Management Report.

5. Segmental analysis

Products and services from which reportable segments derive their revenues

The Group has a matrix management structure. The Group's Chief Operating Decision Maker ('CODM') is the Executive Committee ('Exco') which operates as a general management committee under the direct authority of the Board. The Exco regularly reviews operating activity on a number of bases, including by business division and legal ownership which largely follows country of incorporation for TP ICAP legacy entities, plus the addition of Liquidnet ('Primary Operating Segments'). Following the redomiciliation of the Group's parent, the operational responsibility of entities were aligned with their legal ownership and as a result the comparatives for the Primary Operating Segments have been restated. The Group currently considers that the Primary Operating Segments represent the most appropriate view for the purposes of resource allocation and assessment of the nature and financial effects of the business activities in which the Group engages. These are the Group's primary reportable segments under IFRS 8 'Operating Segments'.

The Group's performance is assessed by the CODM on the basis of adjusted performance that removes the effects of significant items from reported results. Significant items are items that management identify and consider separately in order to improve the understanding of the underlying trends and performance of the business, that would otherwise distort year-or-year comparison. These segmental results are therefore presented on an adjusted basis.

In addition, the Group has presented its adjusted results by business division: Global Broking, Energy & Commodities, Agency Execution and Parameta Solutions. Segmental income and expenses include transfers between segments and these transfers are conducted at arm's length. During the first half of 2021, the Group relaunched the Data & Analytics division as Parameta Solutions and transferred its Risk Management Services ('RMS') business, previously reflected within the Global Broking division, therein. Comparatives have been restated to reflect the new business segments.

Information regarding the Group's primary operating segments is reported below:

Analysis by primary operational segment

Six months ended 30 June 2021	**EMEA**	**Americas**	**Asia Pacific**	**Liquidnet**	**Corporate/ Treasury**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue	**456**	**307**	**118**	**55**	**-**	**936**
Total front-office costs	(269)	(205)	(74)	(29)	-	(577)
Contribution	**187**	**102**	**44**	**26**	**-**	**359**
Employment and general and administrative expenses	(94)	(58)	(30)	(19)	(7)	(208)
Other operating income	2	1	1	-	-	4
Adjusted EBITDA	**95**	**45**	**15**	**7**	**(7)**	**155**
Depreciation and impairment of PPE and ROUA	(9)	(5)	(5)	(5)	-	(24)
Amortisation and impairment of intangibles	(9)	(1)	-	(4)	-	(14)
Adjusted EBIT	**77**	**39**	**10**	**(2)**	**(7)**	**117**

Six months ended 30 June 2020	EMEA	Americas	Asia Pacific	Corporate/ Treasury	Total

	£m	£m	£m	£m	£m
Revenue[1]	488	377	125	-	990
Total front-office costs	(281)	(246)	(81)	(7)	(615)
Contribution	207	131	44	(7)	375
Employment and general and administrative expenses	(92)	(68)	(32)	(3)	(195)
Other operating income	2	1	3	-	6
Adjusted EBITDA	117	64	15	(10)	186
Depreciation and impairment of PPE and ROUA	(7)	(6)	(5)	-	(18)
Amortisation and impairment of intangibles	(7)	(2)	-	-	(9)
Adjusted EBIT[2]	103	56	10	(10)	159

Year ended 31 December 2020	EMEA	Americas	Asia Pacific	Corporate/ Treasury	Total
	£m	£m	£m	£m	£m
Revenue[1]	890	668	236	-	1,794
Total front-office costs	(515)	(445)	(154)	-	(1,114)
Contribution	375	223	82	-	680
Employment and general and administrative expenses	(166)	(115)	(67)	(18)	(366)
Other operating income	5	3	6		14
Adjusted EBITDA	214	111	21	(18)	328
Depreciation and impairment of PPE and ROUA	(15)	(12)	(9)		(36)
Amortisation and impairment of intangibles	(16)	(4)	-		(20)
Adjusted EBIT[2]	183	95	12	(18)	272

1. The Group's geographic segments were re-organised following the approval of the redomiciliation of the listed entity by shareholders in February 2021, resulting in the creation of a Corporate / Treasury segment for our Jersey operations and financing activities. Revenues in the Americas increase by £1m offsetting the decrease in Asia in for the six months ended 30 June 2020. For the year ended 31 December 2020, revenues in EMEA increased by £2m offsetting the decrease in Americas.
2. Adjusted EBIT/operating profit increased by £10m in EMEA, offset by a corresponding decrease in Corporate/Treasury for the six months ended 30 June 2020 following the re-organisation. For the year ended 31 December 2020, Adjusted EBIT/operating profit increased by £23m in EMEA with a decrease of £1m in Americas, £4m in Asia and £18m in Corporate/Treasury segments.

Analysis by division

Six months ended 30 June 2021	**GB[1] £m**	**E&C[1] £m**	**AE[1] £m**	**PM[1] £m**	**Corp. Centre £m**	**Total £m**
Revenue:						
- External	565	186	103	82	-	936
- Inter-division	10	1	-	-	(11)	-
	575	**187**	**103**	**82**	**(11)**	**936**
Total front office costs:						
- External	(357)	(123)	(67)	(30)	-	(577)
- Inter-division	-	-	-	(11)	11	-
	(357)	**(123)**	**(67)**	**(41)**	**11**	**(577)**
Contribution	**218**	**64**	**36**	**41**	**-**	**359**
Employment and general and administrative expenses	(115)	(36)	(25)	(8)	(24)	(208)

Other operating income	1	-	-	-	3	4
Adjusted EBITDA	**104**	**28**	**11**	**33**	**(21)**	**155**
Depreciation and impairment of PPE and ROUA	(8)	(3)	(6)	(1)	(6)	(24)
Amortisation and impairment of intangibles	(7)	(2)	(5)	-	-	(14)
Adjusted EBIT	**89**	**23**	**-**	**32**	**(27)**	**117**

Six months ended 30 June 2020	GB[1,2,3]	E&C[1]	AE[1]	PM[1,2,3]	Corp. Centre	Total
	£m	£m	£m	£m	£m	£m
Revenue:						
- External	634	216	57	83	-	990
- Inter-division	10	1	-	-	(11)	-
	644	217	57	83	(11)	990
Total front office costs:						
- External	(392)	(144)	(41)	(31)	(7)	(615)
- Inter-division	-	-	-	(11)	11	-
	(392)	(144)	(41)	(42)	4	(615)
Contribution	252	73	16	41	(7)	375
Total management and support costs	(115)	(37)	(8)	(6)	(29)	(195)
Other operating income	2	-	-	-	4	6
Adjusted EBITDA	139	36	8	35	(32)	186
Depreciation and impairment of PPE and ROUA	(8)	(2)	-	(1)	(7)	(18)
Amortisation and impairment of intangibles	(6)	(2)	-	-	(1)	(9)
Adjusted EBIT	125	32	8	34	(40)	159

Year ended 31 December 2020	GB[1,2,3]	E&C[1]	AE[1]	PM[1,2,3]	Corp. Centre	Total
	£m	£m	£m	£m	£m	£m
Revenue:						
- External	1,148	388	91	167	-	1,794
- Inter-division	20	3	-	-	(23)	-
	1,168	391	91	167	(23)	1,794
Total front office costs:						
- External	(726)	(261)	(69)	(58)	-	(1,114)
- Inter-division	-	-	-	(23)	23	-
	(726)	(261)	(69)	(81)	23	(1,114)
Contribution	442	130	22	86	-	680
Management and support costs-cash	(229)	(70)	(13)	(12)	(42)	(366)
Other operating income	3	1	-	-	10	14
Adjusted EBITDA	216	61	9	74	(32)	328
Depreciation and impairment of PPE and ROUA	(15)	(5)	(1)	(1)	(14)	(36)
Amortisation and impairment of intangibles	(13)	(3)	(1)	-	(3)	(20)
Adjusted EBIT	188	53	7	73	(49)	272

1. GB is Global Broking, E&C is Energy & Commodities, AE is Agency Execution (and includes Liquidnet in H1 2021), PM is Parameta Solutions
2. Following a restructuring of the asset classes within the Group, Post-Trade Solutions, previously reflected in the Rates asset class within Global Broking was transferred to Parameta Solutions, the Group's newly established division which also includes the Data & Analytics business, which was previously a separate business division and segment. The comparative revenues of Rates

within Global Broking and Parameta Solutions have been restated to reflect the restructuring. Post-Trade Solution third party revenues for the six months ended 30 June 2020 amounted to £13m and £22m for the year ended 31 December 2020. Additionally, inter-division revenues increased by £1m for the six months ended 30 June 2020 and £2m for the year ended 31 December 2020 reflecting sale of services to RMS, which eliminate on consolidation.

3. Following the transfer of Post-Trade Solutions from Global Broking to Parameta Solutions, Adjusted EBIT for the Global Broking division reduced by £6m for the six months ended 30 June 2020 and £9m for the year ended 31 December 2020 with a corresponding increase for Parameta Solutions.

Corporate Centre represents the cost of group and central functions that are not allocated to the Groups divisions.

Analysis of significant items

Six months ended 30 June 2021	**Restructuring and other related costs**	**Disposals, acquisitions and investment in new businesses**	**Goodwill impairment**	**Legal and regulatory matters**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Employment, compensation and benefits costs	**4**	**5**	**-**	**-**	**9**
Premises and related costs	2	-	-	-	2
Deferred consideration	-	-	-	-	-
Charge relating to significant legal and regulatory settlements	-	-	-	5	5
Pension scheme past service and settlement costs	1	-	-	-	1
Acquisition costs	-	8	-	-	8
Net losses on derivative instruments	-	8	-	-	8
Net foreign exchange gains	-	(5)	-	-	(5)
Other general and administration costs	3	-	-	6	9
Total included within general and administration costs	**6**	**11**	**-**	**11**	**29**
Depreciation and impairment of PPE and ROUA	**2**	**-**	**-**	**-**	**2**
Amortisation and impairment of intangible assets	**-**	**21**	**-**	**-**	**21**
Total included within operating costs	**12**	**37**	**-**	**11**	**60**
Impairment of investment in associates – reflected together with Share of results of associates and joint ventures	**-**	**5**	**-**	**-**	**5**
Total significant items	**12**	**42**	**-**	**11**	**65**

Six months ended 30 June 2020	Restructuring and other related costs	Disposals, acquisitions and investment in new businesses	Goodwill impairment	Legal and regulatory matters	Total
	£m	£m	£m	£m	£m
Employment, compensation and benefits costs	2	-	-	-	2
Premises and related costs	2	-	-	-	2
Deferred consideration	-	1	-	-	1
Charge relating to significant legal and regulatory settlements	-	-	-	2	2

Pension scheme past service and settlement costs	-	-	-	-	-
Acquisition costs	-	1	-	-	1
Other general and administration costs	9	-	-	-	9
Total included within general and administration costs	11	2	-	2	15
Depreciation and impairment of PPE and ROUA	-	-	-	-	-
Amortisation and impairment of intangible assets	-	20	-	-	20
Impairment of other assets	-	-	21	-	21
Total included within operating costs	13	22	21	2	58
Included in other operating income	-	-	-	-	-
Total significant items	13	22	21	2	58

Year ended 31 December 2020	Restructuring and other related costs	Disposals, acquisitions and investment in new businesses	Goodwill impairment	Legal and regulatory matters	Total
	£m	£m	£m	£m	£m
Employment, compensation and benefits costs	6	-	-	-	6
Premises and related costs	2	-	-	-	2
Deferred consideration	-	2	-	-	2
Credit relating to significant legal and regulatory settlements	-	-	-	(3)	(3)
Pension scheme past service and settlement costs	1	-	-	-	1
Acquisition costs	-	11	-	-	11
Other general and administration costs	9	-	-	5	14
Total included within general and administration costs	12	13	-	2	27
Depreciation and impairment of PPE and ROUA	1	-	-	-	1
Amortisation and impairment of intangible assets	-	39	-	-	39
Impairment of other assets	1	1	21	-	23
Total included within operating costs	20	53	21	2	96
Included in other operating income	-	-	-	(2)	(2)
	20	53	21	-	94

Adjusted profit reconciliation

	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
	£m	£m	£m
Adjusted EBIT/operating profit	**117**	159	272
Significant items	**(60)**	(58)	(94)
EBIT/operating profit	**57**	101	178
Net finance costs	**(29)**	(23)	(49)
Profit before tax	**28**	78	129
Taxation on significant items	**(9)**	1	7
Taxation on adjusted profit before tax	**(21)**	(34)	(55)
(Loss)/profit after tax	**(2)**	45	81

Share of profit from associates and joint ventures	**9**	10	16
Loss on disposal of associate	**(5)**	-	-
Profit for the period	**2**	55	97

Other segmental information

Segment assets	**30 June 2021 £m**	30 June 2020 *(restated)* £m	31 December 2020 *(restated)* £m
EMEA – UK	**16,384**	24,759	5,381
EMEA – Other	**1,123**	399	252
Americas	**61,000**	15,007	66,775
Asia Pacific	**300**	327	302
Liquidnet	**733**	-	-
Corporate	**2**	11	24
	79,542	40,503	72,734
Segment liabilities			
EMEA – UK	**15,393**	23,699	4,420
EMEA – Other	**1,083**	385	199
Americas	**60,532**	14,448	66,278
Asia Pacific	**134**	175	127
Liquidnet	**389**	-	-
Corporate	**30**	13	12
	77,561	38,720	71,036

Segmental assets and liabilities exclude all inter-segment balances.

Six months ended 30 June 2021	**EMEA £m**	**Americas £m**	**Asia £m**	**Liquidnet £m**	**Total £m**
Revenue by type					
Name Passing brokerage	**340**	**174**	**109**	**-**	**623**
Executing Broker brokerage	**13**	**37**	**1**	**-**	**51**
Matched Principal brokerage	**53**	**80**	**2**	**-**	**135**
Introducing Broker brokerage[1] brokerage	**-**	**-**	**-**	**55**	**55**
Data & Analytics price information fees	**50**	**16**	**6**	**-**	**72**
	456	**307**	**118**	**55**	**936**

Six months ended 30 June 2020	EMEA £m	Americas £m	Asia £m	Liquidnet £m	Total £m
Revenue by type					
Name Passing brokerage	383	204	116	-	703
Executing Broker brokerage	9	37	2	-	48
Matched Principal brokerage	47	120	2	-	169
Data & Analytics price information fees	49	16	5	-	70
	488	377	125	-	990

Year ended 31 December 2020	EMEA £m	Americas £m	Asia £m	Liquidnet £m	Total £m
Revenue by type					
Name Passing brokerage	682	392	218	-	1,292

Executing Broker brokerage	17	76	3	-	96
Matched Principal brokerage	90	168	3	-	261
Data & Analytics price information fees	101	32	12	-	145
	890	668	236	-	1,794

1. The Group arranges matched transactions where the counterparties settle through a third party clearing entity. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date (point in time recognition).

6. Operating costs

Operating costs comprise:

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Broker compensation costs	**451**	498	896
Other staff costs	**143**	137	250
Share-based payment charge	**6**	4	6
Charge relating to employee long-term benefits	**-**	-	1
Employee Compensation and benefits	**600**	639	1,153
Technology and related costs	**91**	87	167
Premises and related costs	**17**	14	29
Adjustments to deferred consideration	**-**	1	2
Charge/(credit) relating to significant legal and regulatory settlements	**5**	2	(3)
Pension scheme past service and settlement costs	**1**	-	1
Acquisition costs	**8**	1	11
Expected credit loss adjustment	**-**	4	(6)
Net foreign exchange gains	**(3)**	(10)	(1)
Net losses on derivative instruments	**10**	-	-
Other administrative costs	**93**	89	160
General and administrative expenses	**222**	188	360
Depreciation of property, plant and equipment	**10**	6	13
Depreciation of right-of-use assets	**16**	12	23
Impairment of right of use asset	**-**	-	1
Depreciation and impairment of PPE and ROUA	**26**	18	37
Amortisation of other intangible assets	**14**	9	20
Amortisation of intangible assets arising on consolidation	**21**	20	39
Amortisation and impairment of intangible assets	**35**	29	59
Goodwill impairment	**-**	21	21
Impairment of finance lease receivables	**-**	-	1
Impairment of associates	**-**	-	1
Impairment of other assets	**-**	21	23
	883	**895**	**1,632**

7. Other operating income

Other operating income comprises:

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Business relocation grants	**1**	1	3
Employee related insurance receipts	**1**	1	2
Management fees from associates	**1**	1	3
Legal settlement receipts	**-**	-	2
Other receipts	**1**	3	6
	4	6	16

8. Finance income

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Interest receivable and similar income	**1**	2	2
Interest receivable on finance lease receivables	**-**	-	1
	1	2	3

9. Finance costs

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Interest payable on bank and other loan facilities	**1**	1	2
Interest payable on bank and other loans	**1**	-	1
Interest payable on Sterling Notes January 2024	**11**	11	23
Interest payable on Sterling Notes May 2026	**7**	7	13
Other interest payable	**1**	-	1
Amortisation of debt issue and bank facility costs	**1**	1	1
Borrowing costs	**22**	20	41
Interest payable on lease liabilities	**6**	5	11
Amortisation of options premium	**2**	-	-
	30	25	52

10. Earnings per share

	Six months ended 30 June 2021	Six months ended 30 June 2020 (restated)	Year ended 31 December 2020 (restated)
Basic	**0.1p**	8.6p	15.4p
Diluted	**0.1p**	8.5p	15.2p

The calculation of basic and diluted earnings per share is based on the following number of shares:

	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020

	No. (m)	No. (m) (restated)	No. (m) (restated)
Basic weighted average shares – as previously reported		557.3	557.0
Impact of the bonus element of the 2021 Rights Issue		68.0	68.0
Basic weighted average shares	**737.7**	625.3	625.0
Contingently issuable shares – as previously reported		5.7	6.9
Impact of the bonus element of the 2021 Rights Issue		0.7	0.8
Contingently issuable shares	**7.9**	6.4	7.7
Diluted weighted average shares	**745.6**	631.7	632.7

The earnings used in the calculation of basic and diluted earnings per share are set out below:

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Earnings for the period	**2**	55	97
Non-controlling interests	**(1)**	(1)	(1)
Earnings attributable to equity holders of the parent	**1**	54	96

11. Dividends

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2020 of 2p per share	**16**	-	-
Interim dividend for the year ended 31 December 2020 of 5.6p per share	**-**	-	31
Final dividend for the year ended 31 December 2020 of 11.25p per share	**-**	63	63
	16	63	94

An interim dividend of 4 pence per share will be paid on 5 November 2021 to all shareholders on the Register of Members on 1 October 2021.

As at 30 June 2021 the TP ICAP plc EBT held 8,094,031 TP ICAP Group plc 25p ordinary shares (31 December 2020: 8,630,751 and 30 June 2020: 6,619,203 TP ICAP plc 25p ordinary shares) and has waived its rights to dividends.

12. Intangible assets arising on consolidation

	Goodwill £m	**Other £m**	**Total £m**
As at 1 January 2021	**989**	**474**	**1,463**
Recognised on acquisition – provisional (Note 24)	**175**	**159**	**334**
Amortisation of acquisition related intangibles	**-**	**(21)**	**(21)**
Effect of movements in exchange rates	**(5)**	**(5)**	**(10)**
As at 30 June 2021	**1,159**	**607**	**1,766**

Other intangible assets at 30 June 2021 represent customer relationships of £604m (31 December 2020: £469m), business brands and trademarks of £3m (31 December 2020: £5m) that arise through business combinations. Customer relationships are being amortised between 10 and 20 years. The amounts included within goodwill and other assets arising on consolidation as a result of the acquisition of Liquidnet are provisional as at 30 June 2021 (Note 24).

Goodwill arising through business combinations is allocated to groups of individual cash-generating units ('CGUs'), reflecting the lowest level at which the Group monitors and tests goodwill for impairment purposes. The CGU groupings are as follows:

	30 June 2021 £m	**30 June 2020 £m**	**31 December 2020 £m**
CGU			
EMEA	**686**	**662**	**686**
Americas	**249**	**280**	**253**
Asia Pacific	**50**	**50**	**50**
Liquidnet – provisional allocation	**174**	**-**	**-**
Goodwill allocated to CGUs	**1,159**	**992**	**989**

The Group's annual impairment testing of its CGUs is undertaken each September. Between annual tests the Group reviews each CGU for impairment triggers that could adversely impact the valuation of the CGU and, if necessary, undertakes additional impairment testing. Following June 2021's impairment review, the Asia Pacific CGU was subject to impairment testing, triggered as a result of changes in revenues and expected CGU cash flows.

Determining whether goodwill is impaired requires an estimation of the recoverable amount of each CGU. The recoverable amount is the higher of its value in use ('VIU') or its fair value less cost of disposal ('FVLCD'). VIU is a pre-tax valuation, using pre-tax cash flows and pre-tax discount rates which is compared with the pre-tax carrying value of the CGU, whereas FVLCD is a post-tax valuation, using post-tax cash flows, post-tax discount rates and other post-tax observable valuation inputs, which is compared with a post-tax carrying value of the CGU. The CGU's recoverable amount is compared with its carrying value to determine if an impairment is required.

For the 30 June 2021 impairment test the recoverable amount of the Asia Pacific CGU was based on its VIU. The key assumptions for the VIU calculations are those regarding expected cash flows arising in future periods, CGU growth rates and the discount rates. Future projections were based on the most recent financial projections considered by the Board which were used to project pre-tax cash flows for the next five years. After this period a steady state cash flow is used to derive a terminal value for the CGU. The growth rate on underlying revenues for Asia Pacific was 1.1% (September 2020: 1.5%) over the five year projected period, with pre-tax discount rates of 11.6% (September 2020: 11.8%). The June 2021 testing did not result in an impairment of the Asia Pacific CGU but the CGU remains sensitive to reasonably possible changes in the VIU assumptions. A reduction in the growth rate over the five year projected period to nil% would reduce the VIU by £55m, with the VIU then equalling its carrying value, as would a permanent 6% reduction in the first year of forecast revenues. An increase in the discount rate by 2% would reduce the VIU by £24m. The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances.

13. Right-of-use assets

	Land and buildings	**Furniture, fixtures, equipment and motor vehicles**	**Total**

	£m	£m	£m
As at 1 January 2021	**162**	**1**	**163**
Additions	**1**	**-**	**1**
Acquired as part of acquisitions	**70**	**-**	**70**
Depreciation	**(16)**	**-**	**(16)**
Depreciation capitalised as leasehold improvements	**(1)**	**-**	**(1)**
Effect of movements in exchange rates	**(1)**	**(1)**	**-**
As at 30 June 2021	**215**	**-**	**215**

The Group leases several buildings which have an average lease terms of 11 years (2020: 11 years).

Additions to right-of-use assets were £71m, £70m (including capitalised dilapidation provision of £2m) of which related to the acquisition of Liquidnet. The Group measures right-of-use assets acquired as part of an acquisitions at their fair values, reflecting market rates as at the time of acquisition (Note 24). In respect of 135 Bishopsgate, depreciation of £1m and lease interest expense of £1m have been capitalised as leasehold development costs whilst the project was in its construction phase in 2021. During the period to 30 June 2021 £2m has been capitalised, of which £1m relates to depreciation and £1m relates to interest in lease liabilities

14. Trade and other receivables

	30 June 2021 £m	31 December 2020 £m
Non-current receivables		
Finance lease receivables	**4**	5
Other receivables	**25**	19
	29	24
Current receivables		
Settlement balances	**74,473**	68,487
Deposits paid for securities borrowed	**1,274**	1,115
Trade receivables	**395**	301
Finance lease receivables	**1**	1
Other debtors	**22**	15
Prepayments	**100**	90
Accrued income	**13**	11
Corporation tax	**5**	2
Owed by associates and joint ventures	**5**	5
	76,288	70,027

Settlement balances arise on Matched Principal brokerage whereby securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions is primarily on a delivery vs payment basis ('DVP') and typically take place within a few business days of the transaction date according to the relevant market rules and conventions. The amounts due from and payable to counterparties in respect of as yet unsettled Matched Principal transactions are shown gross, except where a netting agreement, which is legally enforceable at all times, exists and the asset and liability are either settled net or simultaneously. The above analysis reflects only the receivable side of such transactions. Corresponding payable amounts are shown in 'Trade and other payables'. The Group measures loss allowances for settlement balances under the general approach reflecting the probability of default based on the credit rating of the counterparty together with an assessment of the loss, after the sale of underlying instruments, that could arise as a result of default. As at 30 June 2021, the provision for expected credit losses amounted to less than £1m (2020: less than £1m).

Deposits paid for securities borrowed arise on collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. The above analysis reflects the receivable side of such transactions. Corresponding deposits received for securities loaned are shown in 'Trade and other payables'. The Group measures loss allowances for these balances under the general approach reflecting the probability of default based on the credit rating of the counterparty together with an assessment of the loss, after the sale of collateral, that could arise as a result of default. As at 30 June 2021, the provision for expected credit losses amounted to less than £1m (2020: less than £1m).

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table details the risk profile of trade receivables based on the Group's provision matrix by region. As the Group's historical credit loss experience does not show significantly different loss patterns for different regional customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Trade receivables	Total	Not past due	Less than 30 days past due	31-60 days past due	61-90 days past due	Greater than 91 days past due
	£m	£m	£m	£m	£m	£m
30 June 2021						
EMEA	**196**	**54**	**35**	**22**	**19**	**66**
Americas	**112**	**56**	**18**	**10**	**8**	**20**
Asia Pacific	**42**	**24**	**6**	**4**	**2**	**6**
Liquidnet	**50**	**50**	**-**	**-**	**-**	**-**
Group balances outstanding	**400**	**184**	**59**	**36**	**29**	**92**
Lifetime ECL	**(5)**					
	395					
31 December 2020						
EMEA	170	87	20	13	7	43
Americas	99	45	18	9	6	21
Asia Pacific	37	21	4	3	2	7
Group balances outstanding	306	153	42	25	15	71
Lifetime ECL	(5)					
	301					

15. Interest bearing loans and borrowings

30 June 2021	**Current £m**	**Non-current £m**	**Total £m**
Overdrafts	**32**	**-**	**32**
Loans from related party	**65**	**-**	**65**
Bank loans	**42**	**-**	**42**
Liquidnet Vendor Loan Notes	**-**	**36**	**36**
Sterling Notes January 2024	**10**	**430**	**440**
Sterling Notes May 2026	**1**	**249**	**250**
	150	**715**	**865**
31 December 2020			
Overdrafts	7	-	7
Loans from related party	28	-	28
Sterling Notes January 2024	10	430	440

Sterling Notes May 2026	1	249	250
	46	679	725

All amounts are stated after unamortised transaction costs.

Settlement facilities and overdrafts

Where the Group purchases securities under matched principal trades but is unable to complete the sale immediately, the Group's settlement agent finances the purchase through the provision of an overdraft secured against the securities and any collateral placed at the settlement agent. As at 30 June 2021, overdrafts for the provision of settlement finance amounted to £32m (December 2020: £7m).

Loans from related party

In August 2020, the Group entered into a Yen 10bn committed revolving credit facility with The Tokyo Tanshi Co., Ltd, a related party, that matures in February 2023. Subsequent to the 30 June 2021, the Group has agreed an extension to the maturity to August 2023. As at 30 June, the 10bn Yen committed facility equated to £65m. Facility commitment fees of 0.64% on the undrawn balance are payable on the facility. Arrangement fees of less than £1m are being amortised over the maturity of the facility.

As at 30 June 2021, Yen 10bn (£65m) of the facility was drawn. The Directors consider that the carrying amount of the loan which is not held at fair value through profit or loss approximates to its fair value. During the period, the maximum amount drawn was £66m, and the average amount drawn was £44m. The Group used the credit facility for most of the period, entering into several short term bank loans with maturities of less than three months. The turnover is quick and the volume is large and resultant flows are presented net in the Group's cash flow statement in accordance with IAS 7 'Cash Flow'.

Bank credit facilities and bank loans

The Group has a £270m committed revolving credit facility that matures in December 2023. Facility commitment fees of 0.8% on the undrawn balance are payable on the facility. Arrangement fees of £3m are being amortised over the maturity of the facility.

As at 30 June 2021, $58m (£42m) of the multi-currency revolving credit facility was drawn. Amounts drawn down are reported as bank loans in the above table. During the period, the maximum amount drawn was £130m, and the average amount drawn was £65m.

Interest and facility fees of less than £1m were incurred in the six months to 30 June 2021.

Sterling Notes: Due January 2024

In January 2017 the Group issued £500m unsecured Sterling Notes due January 2024. The Notes have a fixed coupon of 5.25% payable semi-annually, subject to compliance with the terms of the Notes. In May 2019, the Group repurchased £69m of the Notes. Accrued interest at 30 June 2021 amounted to £10m. Unamortised issue costs were £1m.

Sterling Notes: Due May 2026

In May 2019 the Group issued £250m unsecured Sterling Notes due May 2026. The Notes have a fixed coupon of 5.25% paid semi-annually, subject to compliance with the terms of the Notes. Accrued interest at 30 June 2021 was £1m. Unamortised issue costs were £1m.

Liquidnet Vendor Loan Notes Due March 2024

In March 2021, as part of the purchase consideration of Liquidnet (as detailed in Note 24), the Group issued $50m (£36m) unsecured Loan Notes due March 2024. The Notes have a fixed coupon of 3.2% paid annually. Accrued interest at 30 June 2021 was less than £1m.

16. Deferred tax

	30 June 2021 £m	31 December 2020 £m
Deferred tax assets	**7**	4
Deferred tax liabilities	**(108)**	(79)

	(101)	(75)

The movement for the period in the Group's net deferred tax position was as follows:

	30 June 2021 £m
At 1 January 2021	**(75)**
Recognised on acquisitions in the period	**(22)**
Net charge to income for the period	**(4)**
(Charge)/credit to other comprehensive income for the period	**-**
Effect of movements in exchange rates	**-**
	(101)

A provisional deferred tax liability of £40m has been recognised relating to intangible assets provisionally recognised on the acquisition of Liquidnet (Note 24), together with acquired net deferred tax assets of £18m. The net charge to income for the Period includes a £16m increase in the deferred tax liability in respect of intangible assets due to the future increase in the UK corporation tax rate.

17. Lease liabilities

The maturity analysis of lease liabilities is as follows:

	30 June 2021 £m	**31 December 2020 £m**
Year 1	**43**	38
Year 2	**40**	30
Year 3	**35**	29
Year 4	**38**	24
Year 5	**29**	31
Onwards	**208**	137
	393	289
Less interest	**(107)**	(77)
	286	212
Included in current liabilities	**26**	26
Included in non-current liabilities	**260**	186
	286	212

Lease liabilities acquired with the acquisition of Liquidnet are measured at the present value of remaining lease payments, as if those leases commenced as at acquisition date (Note 24).

18. Reconciliation of operating result (EBIT) to net cash from operating activities

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
EBIT/operating profit	**57**	101	178
Adjustments for:			
- Share-based payment charge	**6**	4	6
- Pension scheme's administration costs	**-**	-	1
- Pension scheme past service and settlement costs	**1**		1
- Depreciation of property, plant and equipment	**10**	6	13
- Depreciation of right-of-use assets	**16**	12	23
- Amortisation of intangible assets	**14**	9	20

- Amortisation of intangible assets arising on consolidation	**21**	20	39
- Impairment of intangible assets arising on consolidation	**-**	21	21
- Impairment of associates	**-**	-	1
- Impairment of right-of-use assets	**-**	1	1
- Impairment of finance lease receivables	**-**	1	1
- Remeasurement of deferred consideration	**-**	1	2
Operating cash flows before movement in working capital	**125**	176	307
Increase in trade and other receivables	**(54)**	(17)	6
(Increase)/decrease in net settlement and trading balances	**(1)**	(6)	(2)
Increase/(decrease) in trade and other payables	**12**	12	(34)
Decrease in provisions	**(4)**	(2)	(7)
Increase in non-current liabilities	**(2)**	-	1
Retirement benefit scheme contributions	**-**	-	(1)
Cash generated from operations	**76**	163	270
Income taxes paid	**(24)**	(33)	(73)
Fees paid on bank and other loan facilities	**(1)**	-	(2)
Interest paid	**(20)**	(19)	(37)
Interest paid – finance leases	**(7)**	(5)	(14)
Net cash from operating activities	**24**	106	144

19. Analysis of net debt including lease liabilities

	1 January 2021	**Cash flow**	**Acquired with subsidiaries**	**Non-cash items**	**Exchange differences**	**30 June 2021**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Cash and cash equivalents[1]	**656**	**142**	**-**	**-**	**(5)**	**793**
Overdrafts	**(7)**	**(25)**	**-**	**-**	**-**	**(32)**
	649	**117**	**-**	**-**	**(5)**	**761**
Financial investments	**127**	**(9)**			**(1)**	**117**
Bank loan due within one year	**-**	**(40)**	**-**	**-**	**(2)**	**(42)**
Loans from related party	**(28)**	**(39)**	**-**	**-**	**2**	**(65)**
Sterling Notes January 2024	**(440)**	**11**	**-**	**(11)**	**-**	**(440)**
Sterling Notes May 2026	**(250)**	**7**	**-**	**(7)**	**-**	**(250)**
Liquidnet Vendor Loan Notes	**-**	**-**	**-**	**(36)**	**-**	**(36)**
Total debt excluding leases	**(718)**	**(61)**	**-**	**(54)**	**-**	**(833)**
Lease liabilities	**(212)**	**23**	**(91)**	**(7)**	**1**	**(286)**
Total financing liabilities	**(930)**	**(38)**	**(91)**	**(61)**	**1**	**(1,119)**
Net debt including lease liabilities	**(154)**	**70**	**(91)**	**(61)**	**(5)**	**(241)**

1. *Principal changes plus payment of interest and debt issue costs where applicable.*

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

Financial investments comprise government debt securities, term deposits and restricted funds held with banks and clearing organisations.

Non-cash items represent additions to lease liabilities, accrued interest and the amortisation of debt issue costs.

20. Provisions

	Property	Re-structuring	Legal and other	Total
	£m	£m	£m	£m
At 1 January 2020	**7**	**9**	**24**	**40**
Charge to income statement	**1**	**1**	**1**	**3**
Utilisation of provisions	**(1)**	**(6)**	**-**	**(7)**
Acquired with subsidiaries	**2**	**-**	**-**	**2**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**
At 30 June 2021	**9**	**4**	**25**	**38**
Included in current liabilities				**12**
Included in non-current liabilities				**26**
				38

Property provisions outstanding as at 30 June 2021 relate to provisions in respect of building dilapidations, represents the estimated cost of making good dilapidations and disrepair on various leasehold buildings.

Restructuring provisions outstanding as at 30 June 2021 relate to termination and other employee related costs. The movements during the Period reflects the actions taken under the Group's reorganisation plan. It is expected that these obligations will continue to be discharged during 2022.

Legal and other provisions include provisions for legal claims brought against subsidiaries of the Group together with provisions against obligations for certain long-term employee benefits and non-property related onerous contracts. At present the timing and amount of any payments are uncertain and provisions are subject to regular review. It is expected that the obligations will be discharged over the next 24 years.

European Commission Yen Libor

In February 2015 the European Commission imposed a fine of €15m on NEX International Limited (formerly ICAP plc), ICAP Management Services Limited and ICAP New Zealand Limited for alleged competition violations in relation to the involvement of certain of ICAP's brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. Whilst this matter relates to alleged conduct violations prior to completion of the Group's acquisition of the ICAP global broking business, it is noted that the fine imposed by the European Commission has been appealed, seeking a full annulment of the Commission's decision. In the event that the Commission imposes a fine in excess of €15m such excess will be borne by NEX Group plc ('NEX'). In November 2017, the European General Court granted a partial annulment of the Commission's findings. The Commission appealed this decision in February 2018 and the Group served its reply during April 2018. A decision from the Courts of Justice of the European Union was received on 10 July 2019 which determined that the decision of the European Commission in relation to the competition violations stood but the decision of the European Commission imposing the fine was annulled. The European Commission adopted new articles relating to the fine. On 31 May 2021, the European Commission issued a fine totalling €6.5m, payable by 30 November 2021. The Group has fully provided for this amount and expects no further action in relation to this matter.

Labour claims – ICAP Brazil

ICAP do Brasil Corretora De Títulos e Valores Mobiliários Ltda ('ICAP Brazil') is a defendant in 11 (31 December 2020: 11) pending lawsuits filed in the Brazilian Labour Court by persons formerly associated with ICAP Brazil seeking damages under various statutory labour rights accorded to employees and in relation to various other claims including wrongful termination, breach of contract and harassment (together the 'Labour Claims'). As at 30 June 2021, the Group considers a loss in respect of certain claims to be probable and estimates the amount payable in respect of such claims to be BRL7.7m (£1.1m).

21. Contingent liabilities

Bank Bill Swap Reference Rate case

On 16 August 2016, a complaint was filed in the United States District Court for the Southern District of New York naming Tullett Prebon plc, ICAP plc, ICAP Australia Pty LTD and Tullett Prebon (Australia) Pty. Limited as defendants together with various Bank Bill Swap Reference Rate ('BBSW') setting banks. The complaint alleges collusion by the defendants to fix BBSW-based derivatives prices through manipulative trading during the fixing window and false BBSW rate submissions. On 26 November 2018, the Court dismissed all of the claims against the TP ICAP defendants and certain other defendants. On 28 January 2019 the Court ordered that a stipulation signed by the plaintiffs and the TP ICAP defendants meant that the TP ICAP defendants were not required to respond to any Proposed Second Amended Class Action Complaint ('PSAC') that the plaintiffs were seeking to file. On 3 April 2019 the plaintiffs filed a PSAC, however the TP ICAP defendants have no obligation to respond. The plaintiffs have reserved the right to appeal the dismissal of the TP ICAP defendants but have not as yet done so. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact.

Labour claims – ICAP Brazil

ICAP do Brasil Corretora De Títulos e Valores Mobiliários Ltda ('ICAP Brazil') is a defendant in 11 (31 December 2020: 11) pending lawsuits filed in the Brazilian Labour Court by persons formerly associated with ICAP Brazil seeking damages under various statutory labour rights accorded to employees and in relation to various other claims including wrongful termination, breach of contract and harassment (together the 'Labour Claims'). The Group estimates the maximum potential aggregate exposure in relation to the Labour Claims, including any potential social security tax liability, to be BRL 60.0m (£8.7m) (31 December 2020: 56.8m (£8.0m)). The Group is the beneficiary of an indemnity from NEX in relation to any liabilities in respect of seven of the 11 Labour Claims insofar as they relate to periods prior to completion of the Group's acquisition of ICAP. This includes a claim that is indemnified by a predecessor to ICAP Brazil byway of escrowed funds in the amount of BRL 28.0m (£4.0m). Apart from the estimated losses which have already been provided for (see Note 20), the Labour Claims are at various stages of their respective proceedings and are pending an initial witness hearing, the court's decision on appeal or a ruling on a motion for clarification. The Group intends to contest liability in each of these matters and to vigorously defend itself. Unless otherwise noted, it is not possible to predict the ultimate outcome of these actions.

Flow case – Tullett Prebon Brazil

In December 2012, Flow Participações Ltda and Brasil Plural Corretora de Câmbio, Títulos e Valores ('Flow') initiated a lawsuit against Tullett Prebon Brasil S.A. Corretora de Valores e Câmbio and Tullett Prebon Holdings do Brasil Ltda alleging that the defendants have committed a series of unfair competition misconducts, such as the recruitment of Flow's former employees, the illegal obtainment and use of systems and software developed by the plaintiffs, as well as the transfer of technology and confidential information from Flow and the collusion to do so in order to increase profits from economic activities. The amount currently claimed is BRL 272m (£39m) (31 December 2020: BRL 272m (£38m)). The Group intends to vigorously defend itself but there is no certainty as to the outcome of these claims. Currently, the case is in an early evidentiary phase.

LIBOR Class actions

The Group is currently defending the following LIBOR related actions:

(i) Stichting LIBOR Class Action

On 15 December 2017, the Stichting Elco Foundation, a Netherlands-based claim foundation, filed a writ initiating litigation in the Dutch court in Amsterdam on behalf of institutional investors against ICAP Europe Limited ('IEL'), ICAP plc, Cooperative Rabobank U.A., UBS AG, UBS Securities Japan Co. Ltd, Lloyds Banking Group plc, and Lloyds Bank plc. The litigation alleges manipulation by the defendants of the JPY LIBOR, GBP LIBOR, CHF LIBOR, USD LIBOR, EURIBOR, TIBOR, SOR, BBSW and HIBOR benchmark rates, and seeks a declaratory judgment that the defendants acted unlawfully and conspired to engage in improper manipulation of benchmarks. If the plaintiffs succeed in the action, the defendants would be responsible for paying costs of the litigation, but each allegedly impacted investor would need to prove its own actual damages. It is not possible at this time to determine the final outcome of this litigation, but IEL has factual and legal defences to the claims and intends to defend the lawsuit vigorously. A hearing took place on 18 June 2019 on Defendants motions to dismiss the proceedings. On 14 August 2019 the Dutch Court issued a ruling dismissing ICAP plc from the case entirely but keeping certain claims against IEL relating solely to JPY LIBOR. On 9 December 2020, the Dutch Court issued a final judgement dismissing the Foundation's claims in their entirety. In March 2021, the Foundation filed a writ to appeal this final judgement which remains pending. The Group is covered by an indemnity from NEX in relation to any outflow in respect of the ICAP entities with regard to these matters. It is not possible to estimate any potential financial impact in respect of this matter at this time.

(ii) Swiss LIBOR Class Action

On 4 December 2017, a class of plaintiffs filed a Second Amended Class Action Complaint in the matter of Sonterra Capital Master Fund Ltd. et al. v. Credit Suisse Group AG et al. naming as defendants, among others, TP ICAP plc, Tullett Prebon Americas Corp., Tullett Prebon (USA) Inc., Tullett Prebon Financial Services LLC, Tullett Prebon (Europe) Limited, Cosmorex AG, ICAP Europe Limited, and ICAP Securities USA LLC (together, the 'Companies'). The Second Amended Complaint generally alleges that the Companies conspired with certain bank customers to manipulate Swiss Franc LIBOR and prices of Swiss Franc LIBOR based derivatives by disseminating false pricing information in false run-throughs and false prices published on screens viewed by customers in violation of the Sherman Act (anti-trust) and RICO. On 16 September 2019, the Court granted the Companies' motions to dismiss in their entirety. The plaintiffs appealed the dismissal to the United States Court of Appeals for the Second Circuit. Based upon a Second Circuit ruling in an unrelated case, the parties have jointly moved to remand the case to the United States District Court for the Southern District of New York for further proceedings. The Companies intend to contest liability in the matter and to vigorously defend themselves. It is not possible to predict the ultimate outcome of this action or to provide an estimate of any potential financial impact.

(iii) Yen LIBOR Class Actions

In April 2013, ICAP plc was added as a defendant to an existing civil litigation originally filed in April 2012, Laydon v. Mizuho Bank, Ltd, against certain Yen LIBOR and Euroyen TIBOR panel banks alleging purported manipulation of the Yen LIBOR and Euroyen TIBOR benchmark interest rates. The United States District Court for the Southern District of New York dismissed the plaintiff's antitrust and unjust enrichment claims, but upheld the plaintiff's claim for purported manipulation under the Commodity Exchange Act. ICAP plc and certain other foreign defendants were dismissed in March 2015 for lack of personal jurisdiction. The Court permitted plaintiffs to file an amended complaint whereby they added new defendants to the action including ICAP Europe Limited and Tullett Prebon plc. On 10 March 2017, both ICAP Europe Limited and Tullett Prebon plc were dismissed for lack of personal jurisdiction. On 23 October 2020, the plaintiffs served their formal notice of intent to appeal the dismissal of the TP ICAP defendants and the plaintiffs have now perfected the appeal with final briefing due later this year. The Group is covered by an indemnity from NEX in relation to any outflow in respect of ICAP Europe Limited with regard to these matters. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact.

Other plaintiffs filed a related complaint, Sonterra Capital Master Fund, Ltd. v. UBS AG, which included ICAP plc, ICAP Europe Limited and Tullett Prebon plc as defendants, asserting a cause of action for antitrust injury only as a result of the purported manipulation of Yen LIBOR and Euroyen TIBOR by panel banks and brokers. Defendants filed motions to dismiss for lack of jurisdiction and failure to state a claim. On 10 March 2017, the Court issued an order dismissing the entirety of the Sonterra case on the grounds that the plaintiffs lacked antitrust standing. Plaintiffs appealed the dismissal, which was then stayed to accommodate new settlements reached between the plaintiffs and some of the defendants. The briefing on the appeal was completed on 28 January 2019 and oral argument was heard on 5 February 2020.

On 1 April 2020, the Second Circuit Court of appeals reversed and remanded the Sonterra dismissal. In October 2020, the Company filed a renewed motion to dismiss on grounds that were not reached in the original decision to dismiss including but not limited to lack of personal jurisdiction. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact. The Group is covered by an indemnity from NEX in relation to any outflow in respect of ICAP Europe Limited with regard to these matters.

ICAP Securities Limited, Frankfurt branch - Frankfurt Attorney General administrative proceedings

On 19 December 2018, ICAP Securities Limited, Frankfurt branch ('ISL') was notified by the Attorney General's office in Frankfurt notifying ISL that it had commenced administrative proceedings against ISL and criminal proceedings against former employees and a former director of ISL, in respect of aiding and abetting tax evasion by Rafael Roth Financial Enterprises GmbH ('RRFE'). It is possible that a corporate administrative fine may be imposed on ISL and earnings derived from the criminal offence confiscated. ISL has appointed external counsel and is in the process of investigating the activities of the relevant desk from 2006-2009. This investigation is complicated as the majority of relevant records are held by NEX and NEX failed to disclose its engagement with the relevant authorities prior to the sale of ICAP to Tullett Prebon in 2016. The Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGBB acquisition in relation to these matters. Since the proceedings are at an early stage, details of the alleged wrongdoing or case against ISL are not yet available, and it is not possible at present to provide a reliable estimate of any potential financial impact on the Group.

ICAP Securities Limited and The Link Asset and Securities Company Limited – Proceedings by the Cologne Public Prosecutor

On 11 May 2020, TP ICAP learned that proceedings have been commenced by the Cologne Public prosecutor against ICAP Securities Limited ('ISL') and The Link Asset and Securities Company Ltd ('Link') in connection with criminal investigations into individuals suspected of aiding and abetting tax evasion between 2004 and 2012. It is possible that the Cologne Public Prosecutor may seek to impose an administrative fine against ISL or Link and confiscate the earnings that ISL or Link allegedly derived from the underlying alleged criminal conduct by the relevant individuals. ISL and Link have appointed external lawyers to advise them. The Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGBB acquisition in relation to these matters. Since the proceedings are at an early stage, details of the alleged wrongdoing or case against ISL and Link are not yet available, and it is not possible at present to provide a reliable estimate of any potential financial impact on the Group.

ICAP Australia – GFI recruitment raid

During 2017 GFI orchestrated a recruitment raid on ICAP Australia with GFI offering ICAP brokers forward starting contracts that commenced once their ICAP employment agreements could be terminated by notice. ICAP commenced proceedings (the 'ICAP Proceedings') against GFI and two former ICAP employees for interference with contractual relations, misuse of confidential information and breach of employment contracts.

Six brokers who had signed GFI forward contracts decided to remain employed with ICAP Australia. ICAP Australia indemnified these brokers against possible claims brought by GFI for breach of contract for not joining them under the forward contracts. GFI issued proceeding against the 6 brokers and ICAP Australia (the 'GFI Proceedings') claiming breach of contract and interference with contractual relations, claiming liquidated damages of approximately A$11.9m (£6.5m). Based on legal advice obtained to date the Group believes that it has a reasonable prospect of defending the GFI Proceedings

The determination of liability and damages for the ICAP Proceedings and the GFI Proceedings have been split into two separate hearings. A judgment in respect liability was made on 9 June 2021 which did not favour ICAP Australia in its claims against GFI and one of the former employees. The hearing in respect of damages is anticipated to be in the second half of 2022.

As at 30 June 2021 it is not possible to predict the ultimate outcome of the final hearing with certainty or to provide an estimate of any potential financial impact.

General note

The Group operates in a wide variety of jurisdictions around the world and uncertainties therefore exist with respect to the interpretation of complex regulatory, corporate and tax laws and practices of those territories. Accordingly, and as part of its normal course of business, the Group is required to provide information to various authorities as part of informal and formal enquiries, investigations or market reviews.

From time to time the Group's subsidiaries are engaged in litigation in relation to a variety of matters. The Group's reputation may also be damaged by any involvement or the involvement of any of its employees or former employees in any regulatory investigation and by any allegations or findings, even where the associated fine or penalty is not material.

Save as outlined above in respect of legal matters or disputes for which a provision has not been made, notwithstanding the uncertainties that are inherent in the outcome of such matters, there are no individual matters which are considered to pose a significant risk of material adverse financial impact on the Group's results or net assets.

The Group establishes provisions for taxes other than current and deferred income taxes, based upon various factors which are continually evaluated, if there is a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

In the normal course of business, certain of the Group's subsidiaries enter into guarantees and indemnities to cover trading arrangements and/or the use of third party services or software.

22. Financial instruments

(a) Categorisation of financial assets and liabilities

Financial Assets	**FVTOCI debt instruments**	**FVTOCI equity instruments**	**FVTOCI Derivatives designated as hedging instruments**	**Amortised cost**	**Total carrying amount**
30 June 2021 (unaudited)	**£m**	**£m**	**£m**	**£m**	**£m**
Non-current financial assets measured at fair value					
Equity securities	**-**	**18**	**-**	**-**	**18**
Corporate debt securities	**2**	**-**	**-**	**-**	**2**
Non-current financial assets not measured at fair value					
Finance lease receivables	**-**	**-**	**-**	**4**	**4**
	2	**18**	**-**	**4**	**24**
Current financial assets measured at fair value					
Government debt securities	**86**	**-**	**-**	**-**	**86**
Current financial assets Not measured at fair value					
Term deposits	**-**	**-**	**-**	**31**	**31**
Other debtors	**-**	**-**	**-**	**22**	**22**
Accrued income	**-**	**-**	**-**	**13**	**13**
Owed to associates and joint ventures	**-**	**-**	**-**	**5**	**5**
Trade receivables	**-**	**-**	**-**	**395**	**395**
Settlement balances receivable	**-**	**-**	**-**	**74,473**	**74,473**
Deposits paid for securities borrowed	**-**	**-**	**-**	**1,274**	**1,274**
Finance lease receivables	**-**	**-**	**-**	**1**	**1**
Cash and cash equivalents	**-**	**-**	**-**	**793**	**793**
	86	**-**	**-**	**77,007**	**77,093**
Total financial assets	**88**	**18**	**-**	**77,011**	**77,117**

Financial Liabilities	**Mandatorily at FVTPL**		**Other financial liabilities**		**Total carrying amount**
	Non-current	**Current**	**Non-current**	**Current**	
30 June 2021 (unaudited)	**£m**	**£m**	**£m**	**£m**	**£m**
Financial liabilities measured at fair value					
Deferred consideration	**52**	**11**	**-**	**-**	**63**

	52	11	-	-	63
Financial liabilities					
Not measured at fair value					
Overdrafts	-	-	-	32	32
Loans from related party	-	-	-	65	65
Bank loans	-	-	-	42	42
Liquidnet Vendor loan notes	-	-	36	-	36
Sterling Notes January 2024	-	-	430	10	440
Sterling Notes May 2026	-	-	249	1	250
Other creditors	-	-	-	16	16
Accruals	-	-	-	120	120
Owed to associates and joint ventures	-	-	-	3	3
Trade payables	-	-	-	104	104
Settlement balances payable	-	-	-	74,445	74,445
Deposits received for securities loaned	-	-	-	1,272	1,272
Lease liabilities	-	-	260	26	286
	-	-	975	76,136	77,111
Total financial liabilities	52	11	975	76,136	77,174

(b) Maturity profile of financial liabilities

As at 30 June 2021, the contractual maturities, including future interest obligations, of the Group's financial liabilities were as follows:

Contractual maturities of financial and lease liabilities **30 June 2021 (unaudited)**	Less than 3 months £m	Between 3 and 12 months £m	Between 1 and 5 years £m	Over 5 years £m	Total contractual cash flows £m
Settlement balances	74,445	-	-	-	74,445
Deposits received for securities loaned	1,272	-	-	-	1,272
Trade payables	104	-	-	-	104
Other creditors	16	-	-	-	16
Accruals	120	-	-	-	120
Owed to associates and joint venture	3	-	-	-	3
Lease liabilities	12	31	142	208	393
Overdrafts	32	-	-	-	32
Loans from related party	65	-	-	-	65
Bank loans	42	-	-	-	42
Liquidnet Vendor loan notes	-	1	38	-	39
Sterling Notes January 2024	11	11	477	-	499
Sterling Notes May 2026	-	13	303	-	316
Deferred consideration	6	5	52	-	63
	76,128	61	1,012	208	77,409

(c) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2021 (unaudited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets measured at fair value				
Equity instruments	-	7	13	20
Corporate debt securities	-	-	2	2
Government debt securities	86	-	-	86
Financial liabilities measured at fair value				
Deferred consideration	-	(8)	(55)	(63)
	86	(1)	(40)	45

There were no transfers between Level 1 and 2 during the Period.

Reconciliation of Level 3 fair value movements:

	Equity instruments (at FVTOCI) £m	Debt securities (at FVTOCI) £m	Deferred consideration (at FVTPL) £m	Total £m
Balance as at 1 January 2021	9	2	(26)	(15)
Net change in fair value – included in 'administrative expenses'	-	-	-	-
Acquisitions during the period	3	-	(38)	(35)
Amounts settled during the period	-	-	2	2
Transfer of liabilities to level 2	-	-	8	8
Effect of movements in exchange rates	1	-	(1)	-
Balance as at 30 June 2021	13	2	(55)	(40)

23. Reconciliation of shareholders' funds

(a) Share capital, Share premium account, Merger reserve

The following table shows an analysis of the changes in share capital, share premium and merger reserve attributable to the equity shareholders of TP ICAP Group plc.

	Share capital £m	Share premium account £m	Merger reserve £m	Total £m
Balance as at 1 January 2021	141	17	1,384	1,542
Rights issue[1]	56	259	-	315
Rights issue costs[1]	-	(6)	-	(6)
Scheme of Arrangement - Cancellation of existing shares and reserves[2]	(197)	(270)	(1,384)	(1,851)
Scheme of Arrangement - Issue of ordinary shares[2]	197	1,418	-	1,615
Capital reduction[3]	-	(1,418)	-	(1,418)
Balance as at 30 June 2021	197	-	-	197

1 On 16 February 2021, TP ICAP plc raised £315m in cash, with issue costs of £6m, from a 2 for 5 share rights issue. The funds raised were to part fund the acquisition of Liquidnet.

2 On 26 February 2021 the Group adjusted its corporate structure. TP ICAP Group plc was incorporated in Jersey on 23 December 2019 and became the new listed holding company of the Group on 26 February 2021 via a court-approved scheme of arrangement under Part 26 of the UK Companies Act 2006, with the former holding company, TP ICAP plc subsequently being renamed TP ICAP Limited. Under the scheme of arrangement, shares in the former holding company of the Group were cancelled and the same number of new ordinary shares were issued to the new holding company in consideration for the allotment to shareholders of one ordinary share of 25 pence in the new holding company for each ordinary share of 25 pence they held in the former holding company. The share for share exchange between TP ICAP plc and TP ICAP Group plc was a common control transaction has been accounted for using merger accounting principles. Under these principles the results and cashflows of all the combining entities are brought into the consolidated financial statements from the beginning of the financial year in which the combination occurs and comparative figures also reflect the combination of the entities. The Group's equity is adjusted to reflect that of the new holding company, but in all other aspects the Group results and financial position are unaffected by the change and reflect the continuation of the Group. In adjusting the Group's equity to reflect that of the new holding company, the sum of Share Capital, Share Premium, Merger Reserve and Reverse Acquisition Reserves under the former holding company are replaced by the Share Capital and Share Premium of the new holding company together with a Reorganisation Reserve.

3 On 26 February 2021, TP ICAP Group plc effected a reduction of its share capital by cancelling its share premium and recognising an equivalent increase in the profit and loss account in reserves.

(b) Other reserves

	Reverse acquisition reserve £m	Re-organisation Reserve £m	Re-valuation reserve £m	Hedging and translation £m	Own shares £m	Total £m
Balance as at 1 January 2021	**(1,182)**	**-**	**4**	**(41)**	**(27)**	**(1,246)**
Fair value movements on net investment hedge	-	-	-	3	-	3
Exchange differences on translation of foreign operations	-	-	-	(20)	-	(20)
Total comprehensive income/(loss)	-	-	-	(17)	-	(17)
Scheme of Arrangement - Cancellation of existing shares and reserves[2]	1,182	669	-	-	-	1,851
Scheme of Arrangement - Issue of ordinary shares[2]	-	(1,615)	-	-	-	(1,615)
Share settlement of share-based payment awards	-	-	-	-	3	3
Balance as at 30 June 2021	**-**	**(946)**	**4**	**(58)**	**(24)**	**(1,024)**

2 See Note 23(a) sub note 2.

(c) Total equity

	Attributable to the equity holders of the parent					
	Total from 23(a) £m	Total from 23(b) £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance as at 1 January 2021	**1,542**	**(1,246)**	**1,383**	**1,679**	**19**	**1,698**
Profit for the period	-	-	1	1	1	2
Remeasurement of defined benefit pension schemes	-	-	1	1	-	1
Fair value movements on net investment hedge	-	3	-	3	-	3
Exchange differences on translation of foreign operations	-	(20)	-	(20)	(1)	(21)
Total comprehensive income/(loss)	-	(17)	2	(15)	-	(15)

Rights issue[1]	**315**	**-**	**-**	**315**	**-**	**315**
Rights issue costs[1]	**(6)**	**-**	**-**	**(6)**	**-**	**(6)**
Scheme of Arrangement - Cancellation of existing shares and reserves[2]	**(1,851)**	**1,851**	**-**	**-**	**-**	**-**
Scheme of Arrangement - Issue of ordinary shares[2]	**1,615**	**(1,615)**	**-**	**-**	**-**	**-**
Capital reduction[3]	**(1,418)**	**-**	**1,418**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**(16)**	**(16)**	**(1)**	**(17)**
Share settlement of share-based payment awards	**-**	**3**	**(3)**	**-**	**-**	**-**
Credit arising on share-based payment awards			**6**	**6**	**-**	**6**
Balance as at 30 June 2021	**197**	**(1,024)**	**2,790**	**1,963**	**18**	**1,981**

1 See Note 23(a) sub note 1.

2 See Note 23(a) sub note 2.

3 See Note 23(a) sub note 3.

24. Acquisitions

Liquidnet

In September 2020 the Group announced the proposed acquisition of Liquidnet Holdings, Inc together with its subsidiaries (collectively 'Liquidnet'), a technology driven global electronic trading broker network specialising in cash equities dark/block trading and fixed income and fixed income, primarily based in the United States, United Kingdom, Europe and Asia. The transaction completed and the Group obtained control on 23 March 2021, acquiring 100% of the issued share capital of Liquidnet Holdings Inc.

Due to the proximity of the acquisition to the reporting period and its size and complexity, the identification and measurement of the fair value of the assets acquired are provisional. Similarly, the allocation of the excess purchase price between identifiable intangible assets and goodwill that arise on the consolidation of Liquidnet are also provisional. As permitted by IFRS 3 'Business Combinations', the finalisation of the identification and measurement of the fair value of the assets acquired and the allocation of the excess purchase price will be completed within 12 months of the acquisition.

The transaction has been accounted for under the acquisition method of accounting.

A summary of the preliminary acquisition accounting is as follows:

	US$m	£m
Provisional fair value of the purchase consideration		
- cash consideration	525	**382**
- excess cash and working capital (provisional)	95	**69**
- deferred non-contingent (vendor loan note)	50	**36**
- deferred contingent consideration (earn-out)	53	**39**
	723	**526**
Provisional fair value of acquired assets and liabilities	(319)	**(232)**
Excess purchase price	404	**294**
Provisional allocation of excess purchase price		
- Other acquisition intangibles (customer relationships)	218	**159**
- Deferred tax liability on acquisition intangibles	(54)	**(40)**
- Goodwill	240	**175**
	404	**294**

The provisional fair value of the consideration paid and payable amounts to US$723m (£526m) made up as follows:

- *fixed cash consideration* of US$525m (£382m);
- a cash payment representing *excess cash and working capital* initially measured at US$95m (£69m). The *excess cash and working capital* amount will be finalised following agreement of final completion accounts.
- *Deferred non-contingent* consideration of US$50m (£36m), represented by unsecured Vendor Loan Notes with a 3.20% coupon, repayable up to third anniversary of the transaction, with early redemption under certain performance conditions.
- *Deferred contingent* consideration, with an initial fair value of US$53m (£39m) is payable, based on Liquidnet's Equities revenues over a three year earn-out period to 2023. The initial fair value reflects the discounted value of estimated payments, measured at the time of the acquisition, and reflects management's estimate of future performance at that time. Any reassessment reflecting changes in the facts and circumstance as at the date of acquisition would result in changes in the fair value of deferred contingent consideration, with a corresponding remeasurement of goodwill. Remeasurement of deferred contingent consideration reflecting changes after the acquisition date will be recorded in profit or loss. Management's projected estimate is based on Liquidnet's 2019 and 2020 Equity revenues. The fair value is based on unobservable inputs and the projected outcome is classified as a level 3 fair value estimate under the IFRS fair value hierarchy. The maximum payment in respect of deferred contingent consideration is capped at US$125m (£90.5m at Period end rates).

The provisional fair value of the net assets acquired are:

	£m
Non-current assets	
Intangible assets – purchased and developed software	**27**
Property plant and equipment	**32**
Right-of-use assets	**70**
Deferred tax assets	**18**
Other non-current assets	**4**
	151
Current assets	
Trade and other receivables	**161**
Cash and cash equivalents[1]	**202**
	363
Total assets	**514**
Current liabilities	
Trade and other payables	**(186)**
Lease liabilities	**(7)**
Current tax liabilities	**(1)**
	(194)
Non-current liabilities	
Lease liabilities	**(84)**
Long term provisions and other payables	**(4)**
	(88)
Total liabilities	**(282)**
Net assets acquired	**232**

1 Represents cash and cash equivalents held by Liquidnet's subsidiaries to meet regulatory and operational requirements, including £56m of restricted cash held to meet customer obligations. Customer obligations are shown within Trade and other payables.

The excess purchase price has been provisionally allocated to customer relationships of US$218m (£159m) with an associated deferred tax liability of US$54m (£40m). The balance US$240m (£175m) has been provisionally attributed to goodwill, representing the value of Liquidnet's reputation and established workforce. As Liquidnet will form its own Cash Generating Unit for impairment testing purposes, provisional goodwill has been allocated to this CGU.

Acquisition costs, included in administrative expenses, amounted to £8m in 2021 with £11m being incurred in 2020.

Had Liquidnet been acquired on 1 January 2021 the Group's revenue would have been £61m higher, EBIT £4m higher and its earnings unchanged.

25. Events after the balance sheet date

Autorité des Marchés Financiers ('AMF')

In August 2019, Tullett Prebon (Europe) Limited ('TPEL') was notified that the AMF was investigating alleged facilitation of market abuse conduct concerning historical transactions with a client undertaken in 2015 on Eurex. In June 2020, the AMF initiated enforcement proceedings before the Enforcement Committee of the AMF. TPEL responded to the AMF's letter of grievance and an investigation was carried out. The final hearing before the AMF Enforcement Committee was held on 7 July 2021 during which each party was entitled to make representations to the Enforcement Committee. The Enforcement Committee made its decision by majority vote and published its Decision to fine TPEL €5m (£4m) on 7 August 2021. TPEL is currently considering an appeal to the Decision following its publication. The Group has treated this as an adjusting event to the 30 June 2021 balance sheet and has recorded the fine as a liability as at that date.

Statement of Directors' Responsibilities

Each of the Directors who are Directors as at the date of this Statement of Directors' Responsibilities confirm to the best of their knowledge that:

- the condensed set of financial statements has been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting', IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ('IASB') and IAS 34 'Interim Financial Reporting' as adopted by the European Union;
- the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by DTR 4.2.4R; and
- the Interim Management Report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

By order of the Board

Robin Stewart
Chief Financial Officer

7 September 2021

Independent Review Report to TP ICAP Group plc

We have been engaged by the Company to review the condensed consolidated set of financial statements in the interim financial report for the six months ended 30 June 2021 which comprises the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and related Notes 1 to 25. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated set of financial statements.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the Company will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards. The condensed consolidated set of financial statements included in this interim financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated set of financial statements in the interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the interim financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, UK
7 September 2021

GLOSSARY

APM

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures ('APMs') are complementary to measures defined within International Financial Reporting Standards ('IFRS') and are used by management to explain the Group's business performance and financial position. They include common industry metrics, as well as measures management and the Board consider are useful to enhance the understanding of its performance and allow meaningful comparisons between periods, Regions and Business Segments. The APMs reported are monitored consistently across the Group to manage performance on a monthly basis.

APMs are defined below. Complementary definition, commentary, and outlook of those APMs considered important in measuring the delivery of the Group's strategic priorities can be found above. Detailed reconciliations of APMs to their nearest IFRS Income Statement equivalents and adjusted APMs can be found in this section, if not readily identifiable above.

The APMs the Group uses are:

Term	Definition
Adjusted EBIT	Earnings before net interest, tax significant items and share of equity accounted investments' profit after tax. Used interchangeably with adjusted operating profit.
Adjusted EBIT margin	Adjusted EBIT margin is adjusted EBIT expressed as a percentage of reported revenue and is calculated by dividing adjusted EBIT by reported revenue for the period.
Adjusted EBITDA	Earnings before net interest, tax, depreciation, amortisation of intangible assets, significant items and share of equity accounted investments' profit after tax.
Adjusted performance	Measure of performance excluding the impact of significant items.
Broking contribution	Represents total broking revenues less total front office costs of the Global Broking, Energy & Commodities and Agency Execution divisions (excluding Liquidnet), inclusive of the revenue internally generated to the Parameta Solutions business.
Broking contribution margin	Broking contribution margin is Broking contribution expressed as a percentage of reported revenue and is calculated by dividing Broking contribution by reported Broking revenue.
Constant Currency	Comparison of current period results with the prior year will be impacted by movements in foreign exchange rates versus GBP, the Group's presentation currency. In order to present a better comparison of underlying performance in the period, the Group retranslates foreign denominated prior period results at current period exchange rates.
Contribution	Contribution represents revenue less the direct costs of generating that revenue.
Contribution margin	Contribution margin is contribution expressed as a percentage of reported revenue and is calculated by dividing contribution by reported revenue.
Earnings	Used interchangeably with Profit for the period or year.
Free Cash Flow	Adjusted EBITDA (as defined above) plus/minus changes in working capital, initial contract prepayments, less capital expenditure, interest and bank fees paid, and income taxes paid.
Free cash flow margin	Free Cash Flow divided by Revenue.

Term	Definition
Significant Items	Items that distort year-on-year comparisons, which are excluded in order to improve predictability and understanding of the underlying

	trends of the business, to arrive at adjusted operating and profit measures.

Constant Currency – Revenue by Primary Operating Segment and Business Division

	H1 2021 £m	H1 2020 £m	H1 2020 Constant Currency £m	Reported Change %	Constant Currency Change %
By Primary Operating Segment					
EMEA	**456**	**488**	**478**	-7%	-5%
Americas	**307**	**376**	**348**	-19%	-12%
Asia Pacific	**118**	**126**	**121**	-6%	-2%
Liquidnet	**55**	**-**	**-**	n/a	n/a
Total Revenue	**936**	**990**	**947**	**-5%**	**-1%**
By Business Division					
Rates	**226**	**277**	**268**	-18%	-16%
Credit	**44**	**51**	**49**	-14%	-10%
FX & Money Markets	**86**	**98**	**95**	-12%	-9%
Emerging Markets	**92**	**103**	**98**	-11%	-6%
Equities	**117**	**105**	**99**	+11%	+18%
Inter-division revenues	**10**	**10**	**10**	+0%	+0%
Total Global Broking	**575**	**644**	**619**	**-11%**	**-7%**
Energy & Commodities	**186**	**216**	**205**	-14%	-9%
Inter-division revenues	**1**	**1**	**1**	+0%	+0%
Total Energy & Commodities	**187**	**217**	**206**	**-14%**	**-9%**
Excluding Liquidnet	**48**	**57**	**56**	-16%	-14%
Liquidnet	**55**	**-**	**-**	n/a	n/a
Total Agency Execution	**103**	**57**	**56**	**+81%**	**+84%**
Data & Analytics	**72**	**70**	**65**	+3%	+11%
Post Trade Solutions	**10**	**13**	**12**	-23%	-17%
Total Parameta Solutions	**82**	**83**	**77**	**-1%**	**+6%**
Inter-division eliminations	**(11)**	**(11)**	**(11)**	+0%	+0%
Total Revenue	**936**	**990**	**947**	**-5%**	**-1%**

Operating costs by type

H1 2021	**IFRS Reported £m**	**Significant items £m**	**Adjusted £m**	**Allocated as Front Office £m**	**Allocated as Support £m**
Employment, compensation and benefits	**600**	**(9)**	**591**	**468**	**123**
General and administrative expenses	**222**	**(28)**	**194**	**109**	**85**
Depreciation and impairment of PPE and ROUA	**26**	**(2)**	**24**	**-**	**24**
Amortisation and impairment of intangible assets	**35**	**(21)**	**14**	**-**	**14**
Impairment of other assets	**-**	**-**	**-**	**-**	**-**
Operating expenses	**883**	**(60)**	**823**	**577**	**246**

H1 2020	IFRS Reported £m	Significant items £m	Adjusted £m	Allocated as Front Office £m	Allocated as Support £m
Employment, compensation and benefits	639	(2)	637	513	124
General and administrative expenses	188	(15)	173	102	71
Depreciation and impairment of PPE and ROUA	18	-	18	-	18
Amortisation and impairment of intangible assets	29	(20)	9	-	9
Impairment of other assets	21	(21)	-	-	-
Operating expenses	895	(58)	837	615	222

Adjusted earnings

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Earnings for the period	**2**	55	97
Non-controlling interests	**(1)**	(1)	(1)
Earnings (Note 10)	**1**	54	96
Significant items (Note 5)	**60**	58	94
Significant items within Profit from associates and joint venture	**5**	-	-
Taxation on significant items	**9**	(1)	(7)
Adjusted earnings	**75**	111	183

Weighted average number of shares (for Basic EPS – Note 10)	**737.7**	625.3	625.0
Adjusted Basic EPS	**10.2p**	17.8p	29.3p
Weighted average number of shares (for Diluted EPS – Note 10)	**745.6**	631.7	632.7
Adjusted Diluted EPS	**10.1p**	17.6p	28.9p

Adjusted EBITDA and Contribution

	Six months ended 30 June 2021 £m	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
EBIT	**57**	101	178
Add: Significant items (Note 5)	**60**	58	94
Adjusted EBIT (Note 5)	**117**	159	272
Add: Depreciation of PPE and ROUA (Note 5 and see above)	**24**	18	36
Add: Amortisation of intangibles (Note 5 and see above)	**14**	9	20
Adjusted EBITDA	**155**	186	328
Less: Operating income (Note 5)	**(4)**	(6)	(14)
Add: Management and support costs (Note 5)	**208**	195	366
Contribution	**359**	375	680

Free cash flow reconciliation to Cash flow from operating activities

£m	**H1 2021**	H1 2020

Free cash flow	**25**	92
Less: Cash Significant items	**(31)**	(9)
Add: Capital expenditure	**30**	23
Cash flow from operating activities	**24**	106

Net funds/(debt)

£m	**H1 2021**	H1 2020	FY 2020
Cash and cash equivalents	**793**	733	656
Overdrafts	**(32)**	(5)	(7)
Financial investments	**117**	158	127
Sterling Notes	**(690)**	(690)	(690)
Bank loans	**(42)**	(40)	-
Loans from related party	**(65)**	-	(28)
Liquidnet Vendor Loan Note	**(36)**	-	-
Net funds – excluding lease liabilities	**45**	156	58
Lease Liabilities	**(286)**	(216)	(212)
Net debt including lease liabilities	**(241)**	(60)	(154)

Cash movements in net funds/(debt) reconciled to net increase/(decrease) in cash and cash equivalents

£m	**H1 2021**	H1 2020
Cash change in net funds	**29**	(3)
Sale/(Purchase) of financial investments included within net funds	**9**	(8)
Net borrowing of bank loans	**40**	40
Net borrowing from related party	**39**	-
Net increase in cash and cash equivalents	**117**	29